California Journal

The Monthly Analysis of State Government and Politics

September 1981/$1.75

CAN BROWN PERFORM ANOTHER GREAT ESCAPE?

California's economic future

Power guide to the state Senate

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One reason why legislators are not shouting too loudly about the political use of state funds in the governor's office: The situation is far worse within the Legislature, which spends small fortunes for overt political activities.

Sign in San Francisco –

Bob's Used Books
Books for the price of a politician

News to Bob of Geary Street:
What makes you think politicians come cheap?

Transportation expert Art Bauer is about to leave the state Senate to become a private consultant. Bauer normally works out of the Senate office of research, but he held down the post of consultant to the Senate Transportation Committee for a spell earlier this year while Mehdi Morshed was making a rapid recovery from a serious illness.

Richard Spohn, the state Director of Consumer Affairs, has a suggestion for the press concerning the identification of legislators. Spohn points out that newspapers now usually give the party and home town of each lawmaker mentioned in a story — but the legislator's relationship to a special-interest group is often more important than party or city. If his suggestion were followed, this might be the listing for a few current legislators:

Sen. David Roberti, Labor-D-Los Angeles.

Sen. Ollie Speraw, Real Estate-R-Long Beach.

Assemblyman Lou Papan, Insurance-D-Daly City.

Assemblyman Pat Johnston, Labor-D-Stockton.

Assemblyman John Lewis, Guns-R-Orange.

Assemblyman Richard Robinson, S&L-D-Santa Ana.

It may be fortunate that the Legislature is phasing out its Mentally Disordered Sex Offender program at Atascadero (and hereafter will treat sex offenders as criminals). Imagine what an enterprising reporter might do with the fact that some shrinks at Atascadero operate under the assumption that men who prey on children are really frustrated homosexuals. The solution: Convince these offenders that they are gay, bring them out of the closet and release them into the communities.

Sampling of the fictional bill titles received since the last issue went to press: The Farr-Moore-Mello pot cultivation act, the Speraw-Agnos vice presidential act, the Beverly-Dills Metropolitan Opera act, and the Waters-Roos Napoleon Bonaparte memorial resolution. (Thanks to Ronald Getty of San Francisco, Bob Raab of San Anselmo and the state Office of Planning and Research. Now, we know what OPR plans and researches.)

THE CALIFORNIA SPLIT

A California Split is the new ice cream treat!
Will we come back for more? Will we find it too sweet?

For just as each flavor demands its true topping,
The taste will be wrong if someone tries chopping.

The North from the South, for in spite of best wishes,
They'll never look right served in two separate dishes.

We'd accept such a Split if bequeathed by The Quake
Or by (ice cream again) the old Cal Super Shake.

But to split California sans banana or tremor
Might be merely a dull legislative dilemma,

And poses the problem: divide it by latitude,
Longitude, time zone, linguistics, or attitude?

The most obvious lines would respect Rand McNally —
Divide North from South or the Coast from the Valley.

(Though one might think the Berlin solution the best:
There's L.A. — that's one planet — and then there's the rest.)

The question, of course, is who started the scrimmage —
Are we talking water rights here — or self-image?

And who can predict if you start to divide them?
The urge to divide may run ad infinitum:

City states, suburb states, small private beaches,
Each with state senates and governor-creatures,

The State of Laguna, the State of San Quentin
(One to get tan in and one to repent in).

And this *is* California, we *do* set the fashion:
America soon, subdividing with passion,

Will have more kinds of license plates than kinds of cars,
And the flag will explode from an excess of stars.

The more we reflect, the more clearly we find,
It's not states that we're dealing with, just states of mind.

California's a state of America's mind,
And must stay there intact for our children to find.

L'ENVOI: Secure in our heritage — gold, desperadoes —
We wait for The Quake and we eat avocados.

— PERRI KLASS

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California Journal

THE MONTHLY ANALYSIS OF STATE GOVERNMENT AND POLITICS

Volume XII, Number 9 **September 1981**

PRESIDENT AND PUBLISHER
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EDITOR
Ed Salzman

MANAGING EDITOR
Alice Naumann

ART DIRECTOR
Chris Van Overloop

CIRCULATION MANAGER:
Barbara Aguirre

WASHINGTON CORRESPONDENT:
Leo Rennert

CONTRIBUTING ARTISTS:
Paul Duginski, Carl Muecke, John Palmer

STAFF: Hope Tuttle, Terry Bailey, Kimberley A. Parisi

TELEVISION PRODUCTION:
Joan Reiss

CALIFORNIA JOURNAL is a nonpartisan, non-ideological analysis of California government and politics established in 1970 and published monthly by The California Center, a non-profit, public-benefit corporation specializing in research and education in government. The *Journal* is indexed in Public Affairs Information Service, New York Times Information Bank, Sage Urban Studies Abstracts and California Periodicals Index.

Subscription rates: Libraries and Governmental Agencies, $30; Corporations and Associations, $60; Special Individual Rate, $18. Address all inquiries to California Journal, 1714 Capitol Ave., Sacramento, California 95814. Telephone (916) 444-2840.

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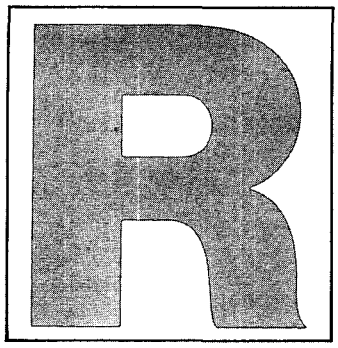
Personal
PERSPECTIVE
By Ed Salzman

An R-rated column



It doesn't take a Masters and Johnson report for us to know that thousands of unmarried women under 18 are engaging in voluntary sex acts each day in California and that their partners are almost never prosecuted. It also doesn't take a sociological survey to determine that the favorite sport of many members of the state Legislature usually takes place in the bedroom.

Then why was state Senator Alan Robbins prosecuted on a series of charges involving sexual conduct with 16-year-old girls? Why haven't the media and the Sacramento County district attorney gone after other legislators who may have satisfied their egos with youthful political groupies? Why don't authorities seek the fathers of children born to unmarried women under 18? The crime is considered "victimless" and can only be proved through the testimony of a willing participant.

Then why Robbins? The answer is that the senator from the San Fernando Valley is probably the most disliked member of the Legislature. (See "The Legislature's P.T. Barnum," *California Journal*, September 1979.) He is generally described in Capitol corridors, especially among members of the press corps, as a "sleaze," whatever that means (Webster doesn't even list the word, a corruption of the adjective "sleazy").

Frankly, there was a general feeling that Robbins ought to be sent to prison on general principles, something the law doesn't yet allow. One of his more offensive traits was his aggressive manner in the public pursuit of female companionship. So-called investigative reporters in the Capitol hungered for an opportunity to get Robbins. The opportunity arose when an instructor from Santa Barbara Community College complained to the Senate Rules Committee that Robbins had made advances to one of his 17-year-old students. There is nothing illegal about making advances, and the complaint was given short shrift. But the complaint provided the bit of official action needed by reporters who wanted to expose Robbins — the news peg upon which to hang heavier material.

Eventually, reporters for the *Los Angeles Times* found the witnesses who would tell tales that would produce the indictments against Robbins. Had the press not become actively involved in the search for evidence of criminal activity, Robbins would never have been forced to stand trial.

And that raises some significant questions about the role of reporters in the coverage of elected officials: Is the private sex life of an officeholder a proper area of journalistic investigation? (In the Robbins case, the senator's espousal of tough anti-rape laws may have legitimatized the investigation of his bedroom activities.) Does the reporter have a duty to tell the newspaper's readers about alleged wrongdoing or to bring evidence before the district attorney — or both? (In some cases, the media would prefer to use the prosecutor as a protective shield against possible libel suits.)

It appears that there is an inconsistency between the two ways reporters use the shield. When prosecutors seek evidence from reporters, they are invading the freedom of the press. When reporters bring evidence to a district attorney, they are using the shield in precisely the opposite way.

In the Robbins case, justice may well have been served. Because of selective enforcement, perhaps the case should never even have gone to trial. On the other hand, Robbins' political career has been placed in jeopardy. And the experience may even in time bring about changes in his personality that will make him something other than the least popular member of the Legislature.

ROSTRUM
Short letters from subscribers are encouraged.

The source of support

I leave to others to express such appreciation or addenda as are appropriate for the treatment received by their research centers in "The GOP Think Tanks at the Claremont Colleges" (*California Journal*, July 1981).

I do wish to correct a misleading impression with respect to the Center for the Study of Law Structures. Support for its research on tax/spending limitations has been provided exclusively by the Tax Limitation Research Foundation . . .

In the broader context of the article, I also would note that the Centers exercise no control over the uses to which their research is put. If more Republicans than Democrats find this research appealing, that may say much about Republicans and Democrats — it says nothing about the Centers. It would be a violation of scholarly objectivity if the College sought to condition the research of its faculty; to demand that faculty research be equally appealing to all political parties would be a gross violation. I would reject categorically any suggestion that the Claremont research centers seek to direct their activities so as to appeal to the public policy persuasions of any group.

WM. CRAIG STUBBLEBINE
Director, Center for the Study of Law Structures

Pension-fund returns

It was a pleasure to find you (July 1981) focusing more attention on the Public Employees Retirement System . . .

There is, however, a major reason for changing pension-fund investment strategies that the author (and, to some extent, the Governor's Task Force) neglected. The present policies are not doing the job of protecting the fund's assets. In 1979-80, with the California CPI increasing over 15 percent, the rate of return on investments was 7.9 percent . . .

The gap between rates of salary increases and investment returns is ultimately paid by the public employer. With retirement costs presently running at about 8 percent of municipal operating budgets, PERS investment policies deserve the scrutiny of all.

AMY MARGOLIS
Management Analyst
City of Redwood City

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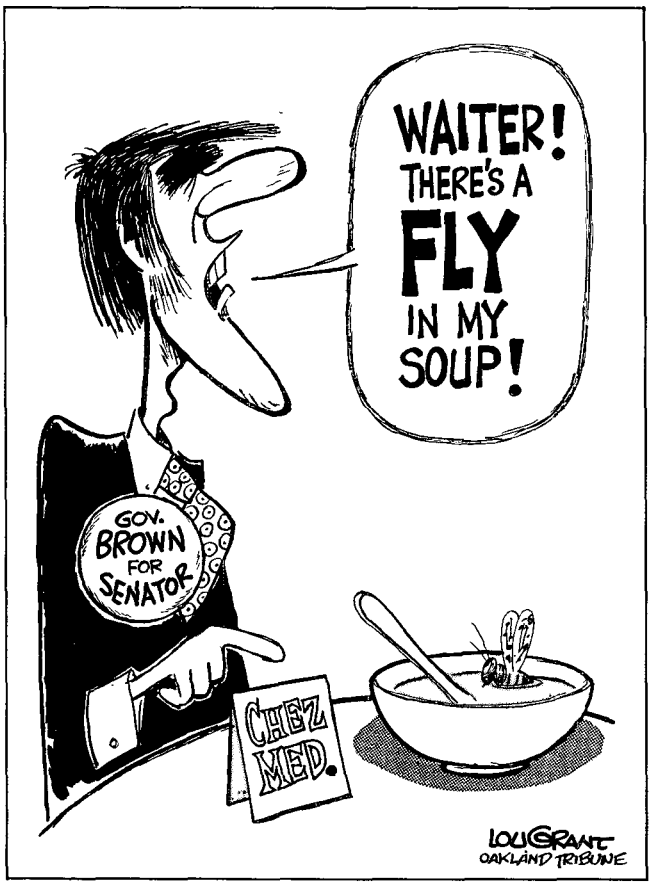
Escape-artist Brown vs. the lock of political death

By ED SALZMAN



Is it now time to wave goodbye to the remarkable career of Governor Jerry Brown at the ripe young age of 43, when most other politicians are just starting to move up the elective ladder? California's Capitol community is rife with recitations of Brown's political obituary. It is becoming increasingly acceptable to say that Brown will not even survive the Democratic primary for the United States Senate next June if he is challenged by a well-financed Leo McCarthy.

Yet, there is a certain hesitance in the voices of those performing the preliminary rites over Governor Brown. Isn't this the same Jerry Brown who has shown a remarkable streak of luck during his hectic political career? Isn't this the Brown who has a Houdini-like capacity for escaping unscathed from the tightest political bindings, emerging in stronger condition than before? Isn't this Brownstone the Magnificent, who emerged from defeat in the battle over Proposition 13 looking as if he had sponsored the initiative?

Mervin Field, director of the California Poll, is one of those who feels that Brown's political career may be at an end, yet he also harbors some doubt. "He's squandered all of his political capital," says Field. "But he is like a prizefighter who has a record of rebounding from knockdowns." Although Brown appears to be in dismal political condition, Field points out that the public has traditionally been willing to accept the theory that there is a logical progression from the governor's office to the Senate. That may be true for other states, but who was the last California governor to move to the Senate? (It was Hiram Johnson, in 1917.)

Brown has so many political problems that state Treasurer Jesse Unruh says flatly that the only Republican the governor can beat is the incumbent senator, S. I. Hayakawa. But Hayakawa is not the favorite to win the GOP nomination, and it is quite possible that he will withdraw from the race before the end of the year.

There are plenty of explanations for Jerry Brown's fall from grace, and the polls show clearly that the public has turned sour on him again. Field claims the main problem is that Brown no longer carries the image of a "different" politician of unquestioned integrity. The loss of this image is far more important in how the Democratic swing-voters think than are Brown's specific actions on legislative issues and on problems like the Mediterranean fruit fly.

Former Assembly Speaker Leo McCarthy has been spending most of his time lately in Los Angeles, introducing himself to the Democrats of Southern California. McCarthy needs a healthy bankroll to get himself well-known in the Southland now that he no longer holds the highly visible office of speaker of the Assembly. McCarthy is an attractive and warm candidate who is familiar with the issues and can articulate his views effectively, especially to a liberal audience. McCarthy will probably try to put himself to the left of Brown and attempt to win over the liberal activists, who can make the difference in a Democratic primary. McCarthy is already well-known in the north and should be the natural beneficiary of anti-Brown sentiment.

Brown recognizes that McCarthy could pose a serious threat in the primary and has been pulling out all the stops to get the former speaker to run for lieutenant governor. But that's no prize to a man who has held the mace of the speakership, and the odds are not wonderful that he would be able to beat the Republican candidate for that office. There is no question that McCarthy wants to run against Brown, but he is astute enough to know that he needs a decent bankroll for a Southern California campaign.

Assuming that Brown and McCarthy run, what impact

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will the presence of 32-year-old Fresno mayor Daniel K. Whitehurst have on the contest? The conventional wisdom is that a large field would help the governor. It is also an historical fact that a candidate from Fresno has to spend a fortune just to get into the middle of the pack in a statewide contest. And Whitehurst hopes to appeal to conservative Democrats who are now taken with the style and actions of the Reagan Administration in Washington.

Pollster Field suggests this surprising scenario for the three-man race: A majority of Democratic voters would prefer to vote for someone other than Jerry Brown. Conservative Democrats in Southern California will get leery of McCarthy, who will appear too liberal for them. So they will vote for Whitehurst. As a result, McCarthy will win the primary. Without Whitehurst in the race, Field feels, these anti-liberal votes would go reluctantly to Brown and provide the governor with a victory over McCarthy. Field plans to test this theory with voter surveys in the coming months.

It has been generally assumed that the Medfly crisis has hurt Brown a great deal. But the political strategists within the Brown camp don't all see it that way. Brown may indeed have been the beneficiary of the invasion of Santa Clara County. Those who hold leadership offices often gain from crises if they can show the public that they are taking charge and doing the best they can under the circumstances. Crises give officeholders opportunity to be seen on television daily, with the bonus of shaping news to their own liking. There is also a tendency for people to rally around a leader against a common enemy — in this case the insect from southern Europe.

Brown had little to lose by rejecting the early pleas from the agricultural industry to spray the impacted area from the air. The farmers wouldn't have rallied behind Brown even if he had created a Malathion marsh out of Santa Clara County. They detest him because he has been allied with Cesar Chavez and because they feel he has sided with environmentalists and labor against them on virtually every issue. So Brown at first went with the majority of the residents of the South Bay region and the environmentalists, holding off the helicopter spray-bombers until he was pressured to act by the Reagan Administration. Brown got the result he probably wanted: freedom to spray at will, with the blame for any adverse consequences falling on Ronald Reagan.

Running against Reagan

That indeed may be the strategy in months to come: Blame Reagan for all of California's problems. Brown, in effect, will be telling Democrats to vote for him because he will be an effective Reagan fighter in Washington. Of course, the tune will be different after the primary. It is entirely possible that the Medfly will be an obsolete issue by the time the campaign gets hot. But the fiscal policies of the Reagan Administration will be a central problem in the decisions to be made in Sacramento early next year. The governor may be able to use these Reagan policies as tools for another grand illusion by Brownstone the Magnificent.

If indeed Brown is politically dead, there are many possible causes of his demise:

- **Image change.** Brown's two main assets have been his father's name and his ability to use the media to convince the public that he is a different breed of politician. Now, the show-biz gig is over. He can't get reelected as Pat's kid. And his relentless quest for the presidency has given the voters the impression that Brown is no different from all the rest. The polls indicate that Brown has a generally negative image in the state. But he was in similar condition four years ago and rebounded with his Jerry Jarvis act.
- **Presidential ambition.** For reasons that are not entirely rational, the California populace objects to Brown spending much of his time trying to get elected president. After all, isn't the presidency supposed to be everyone's dream? What's wrong with trying to get to the White House? Californians probably wouldn't object to Brown's out-of-state forays if they thought he had a reasonable chance of winning and if he quit the race after it became apparent that a Carter or a Kennedy had whipped him handily. They think Brown should be home minding the store and not back in Wisconsin or New Hampshire making a fool out of himself chasing the American dream.
- **The eight-year itch.** History indicates that the voters tire of a governor after he has served two terms. Even Ronald Reagan may well have been defeated had he run for a third term or the U.S. Senate.
- **Lack of constituency.** Jerry Brown never really had a large following among Democratic regulars. He ran an independent operation with a small group of advisers and assistants, taking his message directly to the people. Some leading Democrats will back him because they do not want internal warfare within the party. But he is not well-liked, and there are plenty of Democrats aching for a chance to get rid of him. Had McCarthy not been involved in the speakership bloodbath with Howard Berman, he might have been able to muster the support of a large segment of the party, and he might even be able to do that despite the hard feelings that developed in the speakership contest.
- **Legislative opposition.** Brown has few fans within the Democratic caucuses in the Legislature. Most of them, silently or openly, will back McCarthy or Whitehurst. They may appear on television with the governor's opponents. Some may get their workers behind McCarthy or Whitehurst. Some may even send out letters attacking Brown. State Senator Alfred Alquist of San Jose even announced at one point that he would run himself rather than give Brown an open shot at the nomination.
- **The Republican trend.** Next year doesn't look especially good for the Democrats. That may explain why there are so many Republicans in the field. The other reason is the apparent weakness of the GOP incumbent, Hayakawa. Congressman Barry Goldwater Jr. starts out with a lead in the polls, but the chemistry of the race could change measurably once the field is determined. Among the possible name candidates are Mayor Pete Wilson of San Diego, Maureen Reagan, Congressman Bob Dornan, John Rousselot and Pete McCloskey. In a conservative time, almost any of them (with the possible exception of Hayakawa) would be a strong candidate.
- **The Peripheral Canal.** Brown grossly underestimated the depth of emotion felt by voters of the Bay Area on this issue. It could hurt him enormously next June in a race with McCarthy. And it doesn't figure to help him much in the south, where voters don't even know where the Delta is located. McCarthy will be the natural beneficiary of the environmentalist vote in the Bay Area on this issue, even if he doesn't mention it.
- **Internal problems.** Brown is not known as a specialist in administration. And his operation is not helped by the apparent power struggle between Chief of Staff Gray Davis and the governor's close friend and director of administration, Jacques Barzaghi. Brown needs Davis, who has kept the governor's office from falling apart, and he values Barzaghi as a close friend.
- **Attacks from the right.** The Republicans blame the Brown Administration in part for the state's crime problem. Brown is accused of appointing liberal judges who are soft on criminals, including some of his appointees to the state Supreme Court. Brown has tried to take the wheel of the anti-crime bandwagon, which is carrying so many politicians that it is a wonder it can move at all. Brown's anti-

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The jinxed Senate seat

By DONALD PAGE

From the way the candidates are rushing to run for the United States Senate seat of S. I. Hayakawa, logic would indicate that it is a great prize indeed. Looking at how the office has affected the last incumbents, not many of the candidates seem to have stopped to consider that the seat may be jinxed. Since the death of Hiram Johnson in 1945, there have been six terms with six incumbents, and almost all of the senators have had careers marked by adversity, from slight to extreme. A brief history of the seat, starting with Johnson:

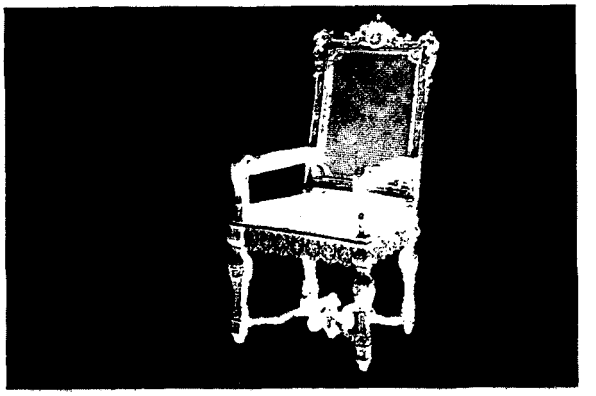
HIRAM JOHNSON: An early progressive when a Republican governor, he entered the U.S. Senate in 1917. While governor he changed the small "p" to a capital "P" and ran with Teddy Roosevelt on the Progressive ticket in 1912. Defeated, he later recanted and became an ultra-conservative Republican. However, the GOP did not accept Johnson's conversion; he was never quite forgiven for his progressive background. Johnson was always outside the Senate "club." He retained his popularity with California voters, however, and only his death in 1945 ended the career that was to see the last long-term incumbency in this Senate seat.

WILLIAM KNOWLAND: Governor Warren owed a political debt to the publisher of the *Oakland Tribune*, Joseph R. Knowland, who had supported the little-known Warren (then district attorney of Alameda County) back in the Depression days when Republicans were not doing well. Warren became governor after the election of 1942. When Hiram Johnson died, Warren appointed Joe's son, William, to the empty Senate spot. William had been a state legislator. Knowland ran for the full term in 1946 against Congressman Will Rogers Jr. He won again in 1952; that was the last time this Senate seat had an incumbent for more than one term. Knowland developed visions of living in the White House and pushed the relatively popular governor, Goodwin Knight, aside. Knowland ran for governor against the state attorney general, Pat Brown, and lost.

CLAIR ENGLE: Beating the Knowland-deposed Knight for the Senate in 1958 was a northern valley congressman, Clair Engle. He had great magnetism and energy, was somewhat profane and enormously popular among all who knew him. But close to the end of his term, Engle — considered a shoo-in for reelection — suffered a massive stroke.

PIERRE SALINGER: Despite Engle's determination to remain in the race, anyone with eyes could see that he could not possibly do it. As a result, Alan Cranston, then the state controller, filed for the Democratic nomination with Pat Brown's backing. On the last day for filing Pierre Salinger became the second Democratic candidate. Although born and raised in California, he listed the sate of Virginia as his residence. Salinger had been press secretary for President Kennedy and in those days, just six months after the assassination, any tie to the martyr was helpful. Salinger edged Cranston in the primary and when Engle died shortly thereafter, Pat Brown appointed Salinger to complete the Engle term. Salinger thus could run as a Kennedy intimate and as the incumbent. But here came the jinx: In a year when the state went strongly Democratic, actor George Murphy dumped Salinger. Thus Salinger failed to serve even one term.

GEORGE MURPHY: Murphy underwent surgery to remove a growth on his vocal cords soon after entering the Senate, nearly losing his ability to speak without electronic assistance. He was hurt badly by the Technicolor scandal and when, in 1970, he attempted re-election, he was defeated by Congressman John V. Tunney.



JOHN TUNNEY: Tunney was a Kennedy look-alike and sound-alike. Indeed, he had been a college roommate of Ted Kennedy. During the campaign, Tunney blasted George Murphy for absenteeism, caused in part by Murphy's serious illnesses. So, when a key vote came after Tunney had taken the seat, where was the new senator? On a skiing vacation in Switzerland. That particular incident apparently stayed with voters when Tunney came up for the second time in 1976.

S. I. HAYAKAWA: Several Republicans considered Tunney vulnerable and there was a scramble for the party nomination. The least likely winner of the primary appeared to be the Canadian-born, Japanese-descended S. I. Hayakawa whose full-time profession was a semanticist. Hayakawa became a folk hero by castigating rioting students at San Francisco State College. The jinx struck again in November; Hayakawa defeated Tunney in an upset victory.

Thus, the modern history of the Senate seat is replete with tales of personal and political disaster — death in office, serious illnesses, suicide and ballot-box upsets. History would indicate that the odds are against a second term for Hayakawa. The same history should make any sensible potential Senate-seekers reconsider the relative safety of the public offices they now hold.

Donald Page is a retired state administrator and a political historian who lives in Placerville.

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crime sales-tax plan was not greeted fondly by the Legislature.

• **Scandals.** Brown may or may not have been hurt by the Medfly crisis, but it is clear that two stories that hit the papers at the same time were nothing but harmful. One was the so-called "computergate" scandal (see article elsewhere in this issue) that has led to investigations by district attorneys in Los Angeles and Sacramento. The other was the revelation by the *Valley News* in Los Angeles County that Brown had been honored at a reception in the Northridge home of Milton Luros, until recently a major figure in the pornography industry. Brown had earlier appointed Luros' son as a Los Angeles municipal judge. The Luros connection, if exploited artfully by the opposition, could hurt Brown more than some issues that have received more publicity.

Resurrection potential

Yet there are other factors that give Brown some chance to pull off another resurrection act, not simply the possibility that McCarthy will choose to run for another office and that Brown will draw Hayakawa in the November runoff. Pollster Field could be dead wrong about the Whitehurst factor. The Fresno mayor and McCarthy may divide the anti-Brown vote, allowing Brown to win the primary. Then Brown may lick a conservative Republican through the process of public debate, just as he demolished Evelle Younger three years ago. Brown isn't exactly without weapons in his fight to hold off the political reaper.

McCarthy has learned that it is difficult to raise big money for the Senate race. Federal restrictions limit donations from individuals to $1,000 ($2,000 for a couple). A race cannot be financed by a couple of fat cats, as can be done in a state contest. McCarthy is hoping to raise at least $2 million for the primary, with two-thirds of the money going for Los Angeles television commercials. (One commercial will undoubtedly make it clear that, unlike Brown, McCarthy cannot run for president, having been born outside the United States.) As governor, Brown can raise money. He can milk his appointees. There are plenty of lawyers who want judgeships. There are interests who want bills signed. There are always people who want the ego trip that results from a chat with the chief of state. Brown does not need to spend money for name recognition, as do his primary opponents.

Brown has the advantage of being a statewide candidate without any special regional identity. Whitehurst comes from Fresno, the city where candidates go to make announcements they don't want to be heard. McCarthy comes from San Francisco — much better, but still far from the Southern California megalopolis.

The governor also has the ability to choose his battlegrounds and to manipulate the media. As the next session of the Legislature unwinds, he will be able to pick fights with Reagan and to accuse the federal government of damaging state and local programs. He can take the offensive and look like a strong leader. By the time next spring rolls around, the Medfly and computergate may be replaced in the campaign rhetoric by issues of Brown's choosing. With luck and skill, he could use these issues to gain a positive image again.

For Brown, the key question is whether McCarthy will run. The former speaker has been spending most of his time testing the political winds in the Southland and plans to return there following the legislative session, whether he runs for Senate or another statewide office. McCarthy wants to run against Brown; he has not been deterred by pleas to withdraw for the sake of the party. McCarthy knows as well as anyone that there is no Democratic party in a real sense: It is every individual for himself and herself. But he does not feel he can run a decent campaign without money to saturate the Los Angeles media. McCarthy wants to announce his decision by Labor Day. It is clear he wants to run for Senate. "The juices are flowing," he has said. If he were leaning toward a race for lieutenant governor, the juices would be coagulating.

Whitehurst's strategy

Whitehurst will probably do some of McCarthy's dirty work for him, attacking Brown with the cleaver. Whitehurst is obviously trying to start building a statewide name for himself so that he can win some future prize. If McCarthy opts out, there is also the outside chance that the citizens are so turned off by Brown that they will vote for any alternative. And that could be Whitehurst. The Fresno mayor is trying to run as a Reagan Democrat, a strategy that holds out little promise unless he can raise many millions of dollars. The strength in the party is with the liberals, who provide both the money and the workers. (On the Republican side, the conservatives do the same. There is no cadre of zealots for the center.)

If it is true that Brown is politically dead, who killed him?

Was it a bite from the dreaded Medfly, with coincidental complications known as computergate and porngate?

Was it his political enemies — the Republicans and those Democrats who have spoken out against him?

Or has the governor committed political suicide by destroying his self-made image as a different breed of politician with integrity beyond question?

Newsmakers

The bearer of gifts

Two legislators of Greek descent received financial favors from a land developer while carrying legislation that would benefit him and other builders of low- and moderate-income housing, the Los Angeles Times reported last month. Assemblyman **Art Agnos** of San Francisco told the Times that he and Senator **Nicholas Petris** of Oakland were receiving loans from Sacramento developer **Angelo Tsakopoulos** because the businessman wanted to make the lawmakers wealthy and thus avoid a repeat of the Spiro Agnew episode . . . State Senator **Alan Robbins** of the San Fernando Valley was acquitted of a series of sex charges by a Sacramento County jury.

The state Commission on Judicial Appointments confirmed the appointment of **Otto Kaus** and **Allen E. Broussard** to the state Supreme Court. Attorney General **George Deukmejian** voted against confirmation of Broussard . . . Municipal Court Judge **Lewis Wenzell** of San Diego was charged with eight counts of soliciting prostitution . . . Dead at 78: Oil magnate **Ed Pauley,** a University of California Regent for 32 years and one-time Democratic Party leader.

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How 'Operation Outreach' opened Brown's 'Computergate'

By OTTO KREISHER

It was a cold, damp April Fool's Day, 1980, in Wisconsin. Jerry Brown's second presidential bid had crumbled under the weight of massive voter disinterest. But the governor's mind already was leaping ahead, perhaps to 1984.

After a gracious and upbeat concession speech to several hundred young supporters in the ornate ballroom of the stately Pfister Hotel in Milwaukee, Brown went into a nearby room to meet with reporters, mostly Californians who had come to watch the end of his futile bid for the White House. Instead, the reporters saw the beginning of a new commitment by Brown to learn from his mistakes and build toward the future and, apparently, another presidential race. "I intend to work with people around this country, and the world for that matter, to bring to a realization the ideas I intend to communicate," Brown told the reporters.

Two days later, Brown repeated his theme at a Capitol news conference. "I built up a very strong organization across those states that I worked in, and many of those people will be coming into California and we will continue, particularly here in this state," he told the Sacramento reporters. Brown said he would be meeting with his supporters and aides soon to develop the plans for his new organization. "I have a vision for this country and I'm going to implement it, one way or another," he said.

Sixteen months later, Brown's determination to communicate his ideas and to build a new organization of supporters "one way or another" has gained a new and more ominous connotation. His administration's reputation and his political future are entangled in a thin but sticky web of allegations that his aides tried to use state-leased computers to build a sophisticated communications system with Brown's supporters — and then tried to obstruct an investigation into that effort.

Both Democrats and Republicans in the Capitol, where Brown has few allies and no friends, jumped to compare the so-called "Computergate" allegations with the Watergate scandal that led to the downfall of former President Richard M. Nixon. "This is the closest thing we've come to Watergate here in California," intoned Senate Republican Leader William Campbell of Hacienda Heights. "This could destroy his candidacy for the Senate," Democratic Senator Paul Carpenter of Cypress said with a barely suppressed smile. "It's the very same thing that destroyed Nixon."

This taint of possible corruption surrounding a man who had ridden into the governor's office on a theme of political reform in the Watergate era was made more ironic by the fact that the allegations were raised by the political watchdog group he helped create: the Fair Political Practices Commission.

The FPPC announced in its July 8th report that its investigation had found "insufficient evidence" to charge Brown with a violation of the Political Reform Act for using state equipment and personnel for political use. But the report provided ample evidence that a number of Brown's aides had been laying elaborate plans to do just that.

And, in a statement that could prove far more damaging politically to Brown, the FPPC noted that "because of events during the investigation, the commission cannot state with complete confidence that it has actually received all relevant documentary evidence, nor can it warrant that the information it does possess is entirely accurate."

The report said the commission staff was "misled on numerous occasions" about the existence of evidence, "documents relevant and important to the commission's investigation were destroyed" and "important documentary evidence was altered and presented to the staff in its altered form."

Because of those activities by members of Brown's official staff and his campaign office, the FPPC formally requested the district attorneys of Sacramento and Los Angeles and the State Bar Association to investigate the possibility of criminal or ethical violations by Brown's aides. The Sacramento DA announced promptly that no charges would be filed.

Although the harsh allegations fell short of Brown, they went to the top levels of his administration. The requests for criminal and ethical investigations appeared to focus mainly on Brown's two legal advisers, two low-level employees in his correspondence unit and the director of his Los Angeles political office. But the hint of cover-up also affected Gray Davis, his executive secretary and long the organizational mainspring of his office, and Jacques Barzaghi, the director of administration, whose influence over Brown bears no relationship to his title.

Otto Kreisher is the Sacramento correspondent for the San Diego Union.

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The "Computergate" allegations hit Brown on what had to be the worst day of his political life. At the same time the FPPC report was being released, the governor was wrestling with a crisis that could have even greater political harm — the renewed outbreak of the crop-destroying Mediterranean fruit fly. And on the same day, two of his priority legislative proposals — including a bill that would have allowed him to call a November special election to get rid of the Peripheral Canal referendum before his campaign for the U.S. Senate — were being defeated in the state Senate.

Preoccupied with the Medfly crisis and with no advance warning about the incoming round from the FPPC, Brown refused to discuss "Computergate" for five days. And when he called a news conference to deal solely with the FPPC report, Brown did exactly what he always has done when put on the political defensive — he attacked. He blistered the FPPC investigators for unprofessional and almost unscrupulous behavior and ripped into anyone who dared to impugn his integrity.

As for the allegations of attempted political use of the state computers, Brown admitted, "The governor's office, and I include myself, is guilty of bad judgment, mistakes and sloppy practices, particularly in the correspondence unit. But," he insisted, "it's clear to me that the state computer was never used for campaign-related purposes and that no law was violated."

And far from attempting to obstruct the FPPC investigation, Brown said, he and his aides cooperated so completely that they may have let their legal rights be violated. "I am now hearing from expected quarters charges of cover-up," Brown said with unusual animation. "These charges are false, absolutely false and nothing more than shabby innuendo. There was no cover-up; there is no conspiracy."

'In the campaign mode'

But the FPPC's report and other information obtained by Capitol reporters clearly indicates that there was a deliberate and enthusiastic plan by some members of Brown's staff to use taxpayer-financed equipment and working hours to further Brown's political career. And the seeds for that effort were planted in the ashes of Brown's second presidential failure on that gloomy night in Milwaukee.

The governor's preoccupation with finding a way to communicate his ideas and to build a powerful organization was shared by those former campaign workers he brought back to California. Several people who are familiar with the whole episode say the trouble was created by bringing a lot of relatively young people straight from the political wars into the governor's office, without any deprogramming. "Those people were not familiar with the ground rules of state government," one source says, adding that the administration "did not provide them with the training of what was acceptable. Many of them were still in the campaign mode, because that's how they had spent the previous months."

A key figure in this episode, by all indications, was Walter O. (Wally) McGuire, a young, bright and dedicated Brown follower who had been head advance man for the ill-fated 1980 presidential campaign. McGuire was brought into the governor's office as director of administration and quickly assumed as his top priority the creation of a sophisticated communications network to build the organization Brown had talked about in April.

McGuire was among a small group of Brown intimates that met in the governor's Los Angeles home in May 1980 to lay the groundwork for the new political organization. The mechanism for improving Brown's communications, as conceived by McGuire, was Operation Outreach, a special project in the correspondence unit that would use two sophisticated word-processing machines leased by the governor's office early in June for $51,000. To man Operation Outreach, McGuire brought in half a dozen other former campaign workers. Prominent among them was Lynn Sante, who was put in charge of an effort to go through Brown's official correspondence and create files of names and addresses for use in the new computers. Also important was Phil Oppenheim, who became a leader of the "special project" task force working over the cards.

Once he had this group of zealots in place in the correspondence unit, McGuire went off to Washington, D.C. to become head of the governor's lobbying office. That left Sante, Oppenheim and the others almost without supervision. They divided names into political supporters, potential supporters and those who were just communicating on general state issues. Before they were stopped, they had produced at least 3,000 index cars of political prospects with the apparent intention of putting them into the state computer. Asked later how all this questionable behavior could have been going on in the governor's office without him knowing it, Davis said, "The correspondence unit just never occupied a lot of our time and attention."

That is confirmed by several former Brown aides and by the records of his office. But while the governor and Davis apparently were paying little or no attention to the former campaign workers and their expensive new toy in the correspondence office, the Outreach activities were quite obvious to the other employees in that office. A number of them were left over from previous administrations and far less zealous in their commitment to Brown.

At least one of the employees in the correspondence unit took her complaints to W. B. Rood, a Sacramento correspondent for the *Los Angeles Times*. As a result, last December 6th, the *Times* ran a story by Rood and investigative reporter George Reasons headlined: "State Funds Used by Brown for Politics." The story said the former campaign workers were using state time and the new computerized letter-writing equipment to create a political mailing list. The story provoked a quick response from the media-conscious Brown high command. Davis came into the office the next day, a Sunday, and questioned the people in the correspondence unit about Operation Outreach. Two days later, Davis summoned reporters to the correspondence office to inspect the new word processors and to receive his categorical denial that "the computer and the information therein has ever been used for illegal purposes."

But on January 7th, the *Times* printed another Rood and Reasons story revealing a lengthy memo from McGuire's Washington assistant, Gayle Prousalis, describing how "the entire staff" of Brown's offices could be mobilized to build a "national constituency" for Brown. It spelled out ways to separate people who write to the governor's office by their potential political support. Supporters would be programmed into the new computer, the memo said.

This story was far more damaging. It not only provided proof that some of Brown's aides at least planned to use the state equipment and personnel for political purposes; it also called into question Davis' previously solid record for truthfulness in his dealings with reporters.

An angry Gray Davis

Davis reacted with uncharacteristic anger, condemning the memo, announcing he had terminated the contracts of the special projects unit and accusing McGuire and others of deceiving him. "Some of the explanations from our own people have not been totally accurate and forthcoming," he said. "And we relied on those explanations when we communicated to the press."

Davis already had ordered Brown's campaign to reimburse the state for some of the work the special project team had done and terminated their work. But it was too late to

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stop the investigations that had been launched. And, in fact, some of the steps Davis took in his effort to stop the damaging stories in the *Times* and other news media had aggravated the situation.

For the FPPC staff, the first *Times* story must have presented a particular dilemma. The story did not present a very strong case of illegal action by the Brown staff and the commission has no jurisdiction over improper use of state funds anyway. But because Brown had helped draft and promote the 1974 initiative that became the Political Reform Act, which created the FPPC, the staffers could have been sensitive about Republican charges if they had failed to go after their creator.

Since the FPPC has no jurisdiction over the use of state workers and equipment for political purposes, it could become involved only if Brown were considered a candidate, if he would have had an obligation to report the use of the computer and the staff time as a political contribution and if he had failed to report. The commission staff decided Brown was a candidate because he had active committees left over from his gubernatorial and presidential campaigns. And because Brown's campaign committee had given money to some Democratic legislative candidates in the 1980 races, he would have had an obligation to report in either the pre-primary or pre-general election reports.

Since there were no reports, the FPPC staff decided it had reason to investigate. From the start the staff experienced trouble with Brown's aides, even though the governor, Davis and the governor's two legal aides, Legal Affairs Secretary Byron Georgiou and his deputy Maurice Jourdane, repeatedly promised full cooperation. It quickly became a case of more than not returning phone calls. The commission sent Brown's office a memo on December 18th that, in effect, asked them for everything they had about anything relating to politics, correspondence, the lease and use of the computers and policies on reimbursing the state for political work by state employees.

Georgiou and Jourdane were something less than enthusiastic in turning over everything that could have possibly met those specifications, a tactic Jourdane called "playing defense counsel."

The response got a little better after a January 14th subpoena which was equally broad. But worse things were unfolding: It became known that Sante had chopped off the bottoms of two of her memos and submitted the altered forms to Jourdane, who in turn submitted them to the FPPC. And Sante testified under oath that the altered memos were complete. Unfortunately for Sante, a correspondence unit supervisor, Cheryl Goble, who had been there with the Reagan Administration, gave the FPPC investigators the complete version of one of Sante's memos.

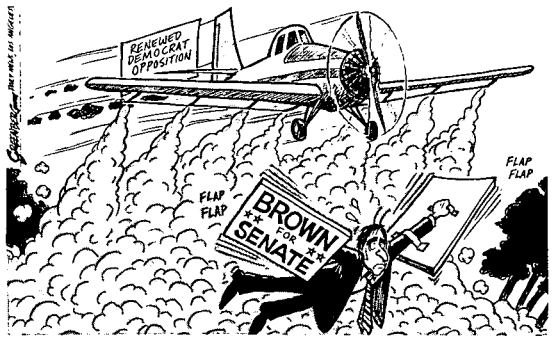
The commission also complained in its report about the failure of Brown's lawyers to submit some memos until others told the investigators about them. They included an Oppenheim memo which he told Brown's top staff he had destroyed but then produced for the FPPC investigators. Blaiser said he has no way of being sure, however, that the memo Oppenheim finally gave them is really the one they were looking for.

The FPPC also cited the action of Davis in ordering the 3,000 file cards with political supporters' names and addresses sent to the Los Angeles political office, which paid for their production. Then, the campaign office director, Jodie Krajewski, had them destroyed because, she told the commission, "I hate paper." The cards apparently were sent to Los Angeles before the December 18th memo from the FPPC requesting all such materials, but they apparently were destroyed after that request reached Brown's office.

It is these and other actions by Brown's aides that the FPPC cited in referring the case to the prosecutors to investigate. The alleged efforts to obstruct the FPPC's investigation have led to the cover-up charges, which could prove far more harmful to Brown and his aides than the apparent effort to get political use from the state computers.

The whole affair inspired a joke around Sacramento: It was silly to charge Brown's office with a conspiracy since a conspiracy required some form of organization — something the governor's office had never demonstrated.

The chances are good that Brown knew little about what his staff was doing in either instance. But, as he noted in his news conference on the FPPC charges: "The governor is the chief executive officer here, and in our political system that means I bear the ultimate responsibility for my employees." If any of his aides are indicted and convicted for their part in the alleged cover-up, Brown will bear the burden, at least politically.



Sacramento District Attorney Herb Jackson, Los Angeles District Attorney John Van de Kamp, the State Bar and Attorney General George Deukmejian all have been conducting various levels of investigations into the FPPC's allegations. But trying to predict the legal or political outcome of the Computergate episode is like trying to bet on a horse race. Conversations with several lawyers with varying levels of knowledge about the FPPC report produce a wide range of predictions:

- **Almost no one** expects either Brown or Davis to be charged with any criminal violation. But indictments against any of the others involved in Operation Outreach or the alleged cover-up could do almost as much damage to Brown's hope of winning the Senate seat as a holding ground for his presidential ambitions and Davis' faint hopes of becoming lieutenant governor.
- **It also is** thought unlikely that either Georgiou or Jourdane will face any legal or ethical charges for their somewhat sloppy work on the FPPC probe.
- **The most likely target** for criminal action was Sante, who admitted altering memos that could have been evidence in the FPPC probe. But Jackson released her from danger with his announcement on August 13th that "there is simply no compelling evidence of criminal wrongdoing" on the part of any of the employees in the governor's office. Nevertheless, Jackson commented that Sante showed "a pattern of deception" in her testimony to the FPPC.

Both Brown and Davis predict confidently that all law enforcement officials will find no grounds for action. But Brown, with his eye on his sagging popularity polls and a spring campaign for the U.S. Senate, is equally concerned about getting the issue resolved at the earliest point.

During a lunch in his office for reporters the day after his Computergate news conference he expressed hope that all the investigations would be terminated soon. When reminded that the bar association tends to take a considerable time for its ethical investigations, Brown said, "There is only one person hurt by that.

"If this thing isn't settled by June '82," the governor said, "I lose."

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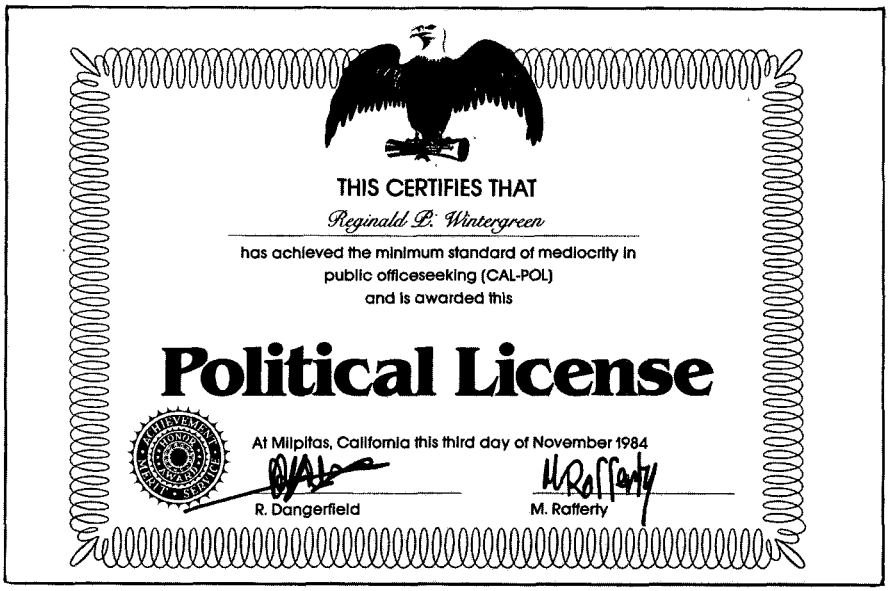
Political license

Almost every occupation and profession in California is subject to state regulation and licensing — except the one that is perhaps most lethal to the public, the professional politician. How much longer can California survive without regulations designed to prevent the incompetent from running for public office? Steps must be taken immediately to provide minimum standards of mediocrity to which our leaders can aspire. What follows is a suggested code for politicians based on those regulations now in effect for other occupations and professions:

By LUANA LUTHER


THIS CERTIFIES THAT
Reginald D. Wintergreen
has achieved the minimum standard of mediocrity in public officeseeking (CAL-POL) and is awarded this
Political License
At Milpitas, California this third day of November 1984
R. Dangerfield
M. Rafferty

Article 1. General

100. Citation and Authority. This chapter may be cited and referred to as the "State Public Officeseeker Rules and Regulations." This chapter is adopted pursuant to provisions of the Doolittle-Wright California Public Officeseekers Law of 1981 (herein referred to as CAL-POL).

101. Definitions. (a) "State public officeseeker" means any natural person who might otherwise be considered unemployable. (b) "Code" means the appropriate state code, excepting the Code of the West.

102. Seal. The board shall adopt a seal (or sea lion).

103. Address Change. Each person who is an applicant for, holder of, former holder of, hanger-on of an applicant for, spouse, lover, potential lover, former lover, etc., of applicant for license shall file his/her address or change thereof, or addition thereto, within six months of change or addition. However, considerable leeway will be given during reapportionment years when it is understood that address changes may be frequent, furtive and fictitious.

104. Competence. A licensed public officeseeker shall practice and perform officeseeking only in those areas in which he/she is by education and experience fully competent and proficient. Nothing in this regulation shall be construed to prohibit a professional state officeseeker from presenting an image of competence and proficiency in the absence of either or both.

105. Title Protection. Any unlicensed person who holds himself/herself out as a "state public officeseeker" shall be guilty of a misdemeanor and shall be sentenced to at least six months of consumption of food at political fundraising dinners.

Luana Luther is a Sacramento poet, humor writer and specialist in state-government verbosity.

Article 2. Applications

106. Applications. Applications shall be filed with photograph of applicant attached showing applicant facing in an easterly direction with hand extended, palm up. Applicants must sign the official code of the profession: "If successful, I shall remain in office the shortest time possible before trying to attain the next highest office."

107. Experience. An applicant must: (a) have had experience for 3½ years preceding the tenth year in conjunction with 15 years credited by examination, whichever has first occurred; (b) have graduated from an accredited or approved, but not both, institution after having accrued not less than, but equal to, the requirements listed pursuant to Section 3.78 of the code; (c) experience cannot be used more than once even though it has been used before; and (d) applicant must be articulate.

108. Financial Responsibility. Applicants need not establish financial responsibility, but must be willing to accept funds both above and beneath the table.

Article 3. Examinations

109. Individual Examinations. To be eligible for examination an applicant shall meet all, or most, of the following qualifications:

(a) be of a certain sex;
(b) be of an uncertain age;
(c) be willing to be examined by a child psychologist;
(d) have completed the following:
(1) a 5-minute course in ethics;
(2) a 32-minute course in high-school civics;
(3) a 400-hour course in the art of speaking without saying anything;
(4) at least three chapters of a Robbins novel;
(5) a 10-year course in applied sincerety; and
(e) be possessed of a speaking vocabulary of at least 300 words, including 12 words of over three syllables.

Article 4. Miscellaneous

187. Advertising. A licensee shall not advertise in any manner which may be construed.

Article 5. Perpetuation

192. Prohibition. Any licensee who is successful in winning a public office is prohibited from taking any action that would result in the deregulation of this profession.

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Power guide to the state Senate

Which of the 40 members of the Upper House are heavy hitters and strike-out pitchers? Which are either too new to break into the lineup or satisfied to sit in the dugout, watching the game being played around them?

This is the first in a two-part series examining the power structure within the state Legislature. In this article, regular Journal *contributor Daniel J. Blackburn, a former member of the Senate staff, assesses the relative effectiveness of members of the Senate and attempts to capture the strengths and weaknesses of each member. Comments are based on numerous interviews with legislators, staffers, lobbyists and reporters who cover the Senate on a daily basis.*

By DANIEL J. BLACKBURN

Senatoris est civitatis liberatatem tueri. It is the duty of the senators to protect the liberty of the people.

The motto of the California state Senate provides a lofty ideal for its 40 members, colleagues in the most exclusive political club this side of the Potomac. It constitutes a contingent of men and women (many of the former, two of the latter) who have been granted the everlasting right to be known as "Senator," just like "Judge," "Governor," "General" and "Doc."

The Senate is the so-called "upper house" of California's bicameral Legislature — smaller, longer-lived, ostensibly a stabilizing institutional factor in the frantic lawmaking process. Those selected by ballot to become part of the senatorial clan receive the equivalent of a four-year, no-cut contract with a guaranteed base income of more than $110,000 for their 48-month term. Annual perquisites for each member include a personal expense account approaching $10,000, unencumbered by taxation; a luxury automobile, all necessary maintenance and gasoline credit cards with no limit; funds for self-promotional purposes that can exceed $65,000, and a budget for hiring of staff that usually exceeds $200,000. When added, the total for each of 40 members can easily exceed a quarter-million dollars each year, and that figure climbs steadily upward.

The Senate's compact nature (half the size of the Assembly) and longer terms (four years instead of two) allows the upper house to adopt a generally moderate political ambiance — a virtual oasis of deliberation and rational thought in a desert of legislative confusion.

It is a house of pomp and ceremony. Its members insist upon maintaining a strict code of dress and behavior and dress for themselves and all who would venture into the Senate chambers. Coats and ties are required of male guests wishing to view the Senate in action. The appearance of decorum permeates all proceedings. (*Almost* all. Last year, during a particularly nettlesome debate on the floor of the Senate, John V. Briggs, a diminutive member from Fullerton, grew impatient with hyperbole and — much to the shock of the gathered senators — threw a small book in a gentle arc at a distant colleague, and then repeated the gesture with a second copy. Briggs was castigated severely by other Senate members, and the incident received widespread media attention. By contrast, it might have been overlooked entirely had it occurred in the more unruly Assembly chambers.)

Senators serving during the present 1981-82 legislative session have forsaken or interrupted a variety of careers, but there are no common people in the Senate. Their professional dossiers reflect the aura of success. Lawyers. Businessmen. Ranchers. Farmers. Management consultants. Professors. Ad executives. Accountants. Psychologists.

It is a house under scrutiny, its leadership having changed only months ago following a decade of rule under James R. Mills, a San Diego historian whose stint as president pro tempore was a masterpiece of moderation. From 1970 to 1980, Mills quietly walked the fine line that a "leader among equals" must negotiate, until relinquishing the title last December to David Roberti, a 41-year-old Hollywood lawyer. With Democrat Roberti came a new team of house leaders and a new, aggressive, partisan method of operation. Roberti's goal: to stave off a swelling Republican minority and to shore up the Senate's flagging influence in the lawmaking process.

Democrats now control the house 23-17, but the GOP is trying to keep alive the electoral surge it enjoyed in 1980. The Republicans pose a serious threat to the traditional tranquility of the majority party.

What follows is a close look at some of the movers, the shakers, the champions and the charlatans who comprise

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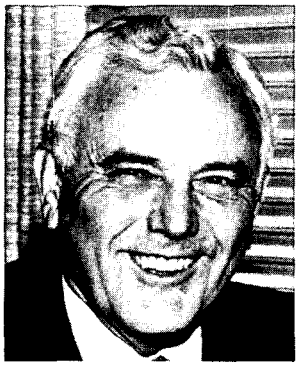
California's Senate. It is a necessarily subjective examination because of the very nature of politics, where objectivity is rare. Total office expenditures for 1980 are listed, for all but first-year senators, to offer one basis for comparison between cost and effectiveness.

Aside from the two top leaders, members are listed in two groups in alphabetical order. The second group (see box) consists of those just starting careers in the Senate or those who, for one reason or another, are not now considered major players in the Senate power game.

ROBERTI

CAMPBELL



ALQUIST

DAVID A. ROBERTI (D), 23rd District. ($287,799) Elected president pro tempore by his colleagues in December 1979. A lawyer by trade (University of Southern California, 1964), Roberti was majority floor leader and a leading liberal voice before defeating Mills for the house's top job. As chairman of the Rules Committee, Roberti presides over the day-to-day operation of the Senate and tends to run things firmly. His district includes Hollywood and the opulent Wilshire and Silverlake areas in Los Angeles, giving him a fund-raising base on which he was able to capitalize in planning for his pro tem run. When Republicans made large gains statewide last November, Democrats, properly alarmed, turned to Roberti, who promised a more strident partisan leadership and more campaign funds for Democratic candidates in need. Roberti sits on several influential committees, including Elections and Reapportionment and Judiciary. The pro tem has a celebrated temper and once tossed Governor Jerry Brown out of the foyer adjoining the Senate chambers for lobbying a bill and slighting the Senate leadership. Roberti is a private man with a penchant for walking close to walls, often touching them as if seeking reassurance that the building still stands. His staff is fiercely loyal and politically active; it produces an extraordinary amount of what may be work. Roberti is performing the often-unpleasant chore of politicizing the Senate. The measure of his success will be the length of his tenure: With limited gains, the Republicans could be choosing the boss of the future.

WILLIAM CAMPBELL (R), 33rd District. ($283,266) Minority floor leader. Portly, ambitious Campbell throws a softball and political jargon with equal ease. He is personable, astute, clever but not brilliant. He is a practiced opportunist, seizing on visible issues and often gaining attention from the media. Campbell made his legislative debut in 1967 as a member of the Assembly, climbing to the Senate in 1976. Under most circumstances, Campbell might be considered a conservative, but the new look of the Senate GOP caucus pushes him into a more moderate role. Critics say Campbell is more fluff than substance, but he has scored two significant recent victories. Republicans emerged from the majority leadership scramble with more committees and more staff, and the consensus is that Campbell was the key architect of the successes. Also, Campbell's performance in the state budget fight produced many a Republican triumph. He is vice chairman of the Governmental Organization Committee and a member of the Elections and Reapportionment, Finance and Health and Welfare panels.

ALFRED E. ALQUIST (D), 11th District. ($271,926) Chairman of the all-important Finance Committee, Alquist is a "man of the house," an outspoken foe of Governor Brown and a man possessed of keen wit and a sharp tongue. Described as the kind of person one doesn't want to cross, Alquist has turned in nearly 20 years as a lawmaker. His fiscal leadership was under a bright light during the past two years following passage of Proposition 13, and few will detract from that performance. He is a difficult man to deal with personally but is considered one of the truly solid members of the house. Don't say "Medfly" around him; his district has been under quarantine.

RUBEN AYALA (D), 32nd District. ($246,454) Ayala had his burst of power during legislative negotiations on the controversial Peripheral Canal bill, which goes before voters for ratification in June 1982. He's chairman of Agriculture and Water Resources, an influential committee in its own right these days.

ROBERT G. BEVERLY (R), 27th District. ($229,398) Beverly's role as chairman of the Revenue and Taxation Committee places him in a vital fiscal arena. He is a popular Republican who would be a substantial member of the house if his party were in the majority. As it is, he tends to slack off and have a good time.

DANIEL E. BOATWRIGHT (D), 7th District. A freshman whose influence is being felt early, Boatwright landed immediately as chairman of the vital Elections and Reapportionment Committee, where he is directing Senate efforts to re-draw legislative and congressional district boundaries. He nabbed the post because of his unabashed ability to play political hardball. Boatwright hails from the Sacramento-San Joaquin Delta area, which places him squarely in the fight to defeat the intended construction of the Peripheral Canal, one of this season's most volatile political issues. Boatwright is blatant in his public performance and has a tendency to play to political symbols. He is a self-proclaimed champion of private enterprise and shows substantial deference to organized special interests. He is ambitious, with mention of governor or lieutenant governor in his file of plans. Boatwright works hard to shed the unwanted image of big-time politico, which is enhanced by his proclivity for polyester suits and a tendency toward excessive weight.

JOHN V. BRIGGS (R), 35th District. ($266,442) Briggs is a 15-year legislative veteran who owned and operated a rewarding insurance brokerage throughout most of his tenure in office. He is vice-chairman of the Finance Committee, the ranking Republican in fiscal dealings; this is a position that appears to be having a tranquilizing effect on Briggs. For many years, Briggs has been the resident right-wing fanatic with tongue in cheek, raising an often solo voice on issues involving subjects like growth of government, communism and homosexuality. He took an abbreviated stab at Jerry Brown in the 1978 governor's race, basing his campaign on an anti-homo-

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sexual teacher initiative that — like him — lost badly at the polls. Now, with other more outspoken conservatives in the Senate baying for attention, Briggs is quietly turning his efforts toward his secondary post on Finance.

PAUL B. CARPENTER (D), 37th District. ($240,644) Carpenter is a classic example of the veracity of the adage that effort begets success. He's now majority caucus chairman, at the front of politician machinations for the party and playing a pivotal role in the reorganization of the newly partisan house. Carpenter's campaign coffers are full of labor dollars, and he doesn't hesitate to carry labor's battles. During his freshman term, Carpenter carried a Teamsters-sponsored bill that would have outlawed the sale of non-pasteurized beer in California. Aimed at Coors of Colorado, the bill was first rubbed in Carpenter's face and then quietly executed by fellow senators caught in an intolerable squeeze between liquor and labor interests. Carpenter excels at priming pecuniary pumps for Democrats and is learning to massage political action committees with skill and finesse.

ED DAVIS (R), 19th District. Freshman Davis, the rock-em, sock-em chief of police in the city of Los Angeles from 1969 to 1978, has found a home in the Senate. Brushing aside an ultraconservative image upon his election, Davis is a rising star and a mainstay of logic, addressing issues on merit and generally promoting himself as a reasonable voice of the Right. While top cop for California's biggest city, Davis learned the art of politics from the ground up. He is erudite, rapidly becoming a GOP strength. Davis has provided pleasant surprises for liberals, who viewed with alarm his election last November. He is vice chairman of the Judicial Committee, which he could control if the Republicans ever win a majority of seats in the upper house. There is an outside chance that he could gain the plum even without benefit of a GOP gain, because current chairman Omer Rains is making a run for attorney general and plans to vacate his seat. Next in line for the job probably is Democrat Alan Robbins, a factor enhancing Davis' chances.

RALPH C. DILLS (D), 28th District. ($228,887) Chairman of the Governmental Organization Committee which attracts the state's gambling, liquor and horse racing industries (and subsequent campaign funds), former Judge Dills dresses to suit his position: plaid sports coats that should have volume controls and sometimes coordinated slacks. His wife does his hair, which still doesn't explain its cerulean hue. If the Senate were a church, Dills would pass the collection plate.

JOHN FRANCIS FORAN (D), 6th District. ($212,868) Another long-time member of the Legislature (Assembly, 1962; Senate, 1976), Foran is a lawyer whose most important assignment is that of chairman of the Transportation Committee. He presently is carrying major legislation to augment the state's dwindling highway fund, a bill (SB 215) that may result in a gasoline-tax increase. With Senator Alquist, Foran is a chief nemesis of Caltrans director Adriana Gianturco and unapologetic in his quest for additional highway building funds, an expenditure that he believes is sadly neglected by the Brown Administration. Foran is a tough issues man, often taking positions on significant matters that conflict with opinion within his district if he perceives a larger priority. He is hard-working and demands the same of staff. Transportation issues are in sad shape these days, and Foran will become increasingly visible as the year unfolds.

JOHN GARAMENDI (D), 13th District. ($296,790) Majority leader. Garamendi, a scion of a prominent Northern California foothills ranching family, served a single term in the Assembly before his Senate election in 1976. Holder of a Harvard master's degree in business administration, Garamendi is the picture of potential political success. Tall, pleasant of face, he is married and has five children who roam his Mokelumne Hills ranch. Garamendi could have it all, but his other self keeps popping into view. He has a "Boy Scout mentality," says a Senate insider who claims to like the man. Garamendi has a difficult time dealing with staff members, who know him as moody and cantankerous when things aren't going right. He tends to be self-righteous and pompous, often immediately after doing something indicative of emerging maturity. His performance as floor leader is described as "spotty" by a Democratic colleague.

ALEX GARCIA (D), 24th District. ($253,339) Garcia gets mention here only because of his chairmanship of the lucrative Business and Professions Committee, and his effectiveness can only be measured when he can be found for a vote. Try David's Brass Rail.

MARZ GARCIA (R), 10th District. ($227,784) Garcia is one of the Senate's true enigmas. He won his seat in 1978 from incumbent Democrat Arlen Gregorio in the predominantly Democratic 10th, after five years as a Bank of America vice president. He is a fiscal whiz, is vice chairman of the Energy and Public Utilities Committee, and during debate can deliver extremely interesting, amusing and oftimes ludicrous incantations. Garcia sounds like a genius half the time and a buffoon the other half.

BILL GREENE (D), 29th District. ($249,437) Greene turned in his years in the Assembly (1966-1975) before becoming a senator. He was expected to follow the footsteps of his predecessor, Merv Dymally, but that has not happened. He has become a power in the labor arena, chairing the Industrial Relations Committee and earning a fair measure of respect. Greene is thought of as effective in his work by colleagues, and takes particularly good care of his constituents, who live in downtown Los Angeles, Watts, Bell Gardens, South Gate, Cudahy, Lynwood and Huntington Park.

BOATWRIGHT

CARPENTER

DAVIS

BARRY KEENE (D), 2nd District. ($395,729) Keene is a liberal mainstay and might be relegated to second-class stature if it were not for his close ties to pro tem Roberti. He reacts like a raving madman when it comes to defending the North Coast's river system from maurauding Southern Californians in search of water. A lawyer and an articulate orator, Keene's biggest

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problem is a tendency to whine when his back is against the wall. He is petulant and treats staff with little respect. Because of his support of Roberti last December, he was given Bob Presley's spot on the Rules Committee.

KENNETH L. MADDY (R), 14th District. ($338,302) Chairman, Minority Caucus. Maddy was a four-term member of the Assembly when in 1978 he made a loud but unsuccessful bid for the Republican gubernatorial nomination. In a well-financed, television-oriented campaign, Maddy made a strong showing while managing to keep all of his political friendships intact. He is articulate, a tasteful dresser and is enormously popular among his colleagues. Also a lawyer (UCLA, 1963), Maddy represents the rich, fertile agricultural San Joaquin Valley in the state's midsection; he is emerging as a man that this state's farmers listen to and respect. No one blushes when describing Maddy as the prototype contemporary lawmaker. He's "Mr. Nice Guy" with the confidence of one who understands his objectives.

JAMES R. MILLS (D), 40th District. ($240,034) Mills held the reins of president pro tempore for a decade but now passes his time as "resident philosopher" of the Senate, a man bored with the house and biding his time while looking for another place to settle.

NICHOLAS C. PETRIS (D), 9th District. ($230,857) Petris is a fading light in the Senate, the archetypical liberal whose day has come and gone. He is a favorite among his Democratic associates, and even now he could emerge in a top spot if unexpected tremors were to disturb the present majority comfort. He is an outstanding floor rhetorician. His committee memberships are Finance, Judiciary and Rules.

ROBERT PRESLEY (D), 34th District. ($281,104) Presley was but a heartbeat away from the Senate's top job late last year, the moderate expected to emerge if Roberti's quest for pro tem had broken up on the rocks. It didn't, and Presley has been relegated to the role of also-ran, with his future as leader of the house dismal. He is a straight-arrow man, perhaps the result of his background: He was under sheriff of the Riverside County Sheriff's Department for 12 years and is a lifelong law enforcement official. Rather than turning to the extreme law-and-order path he could have taken, Presley is the original man of reason; he is the author of California's law permitting the medicinal use of marijuana. When public complaints were raised regarding the personal conduct of Senator Alan Robbins last year, Presley, at the time a member of the Rules Committee, absorbed most of the heat while colleagues scurried for cover.

OMER RAINS (D), 18th District. ($332,854) Rains may be leaving the Senate after two terms to run for attorney general, and it will not be soon enough for most of his colleagues. It was Rains who prompted Republican Briggs to hurl the books on the floor of the Senate, and many observers were heard to say at the time that at least one should have connected. He is arrogant and clever, and chairman of the active Judiciary Committee.

H. L. (BILL) RICHARDSON (R), 25th District. ($266,116) Richardson, an advertising executive, has applied his professional skills to the political picture and is creating his own cadre of arch-conservatives with massive, successful money-raising practices. Richardson is often a bridesmaid,

THE OTHER 13, ONCE OVER LIGHTLY

WILLIAM A. CRAVEN (R), 38th District. ($317,817) A member of Rules, Craven is a yeoman Republican who doesn't make waves. But he's vice chairman of the important Elections and Reapportionment committee.

JOHN DOOLITTLE (R), 3rd District. Too new to have spent much money, Richardson-protege Doolittle is not too new to have carved his niche in the midst of the radical conservatives.

JIM ELLIS (R), 39th District. Ellis came over from the Assembly months ago and no one has really noticed his arrival.

JOHN W. HOLMDAHL (D), 8th District. ($228,006) The Senate's quiet man, Holmdahl marches to the beat of his own drummer, gets along well with fellow veteran Walter Stiern.

RAY JOHNSON (R), 1st District. ($316,427) Johnson is a gentleman of the first order, universally liked and a mainstay GOP fixture on the Rules Committee.

MILTON MARKS (R), 5th District. ($304,636) Marks could well be a Democrat, given his traditional voting record. He wears down his opponents with his whines and complaints.

HENRY MELLO (D), 17th District. Freshman Mello is an artichoke farmer who for unfathomable reasons has political ambition.

JOSEPH MONTOYA (D), 26th District. ($250,399) Chairman of the Energy and Public Utilities Committee, Montoya is good at getting sound barriers built alongside freeways in his district.

JIM NIELSEN (R), 4th District. ($313,901) Still in his first term, Nielsen works hard to be ignored.

DAN O'KEEFE (R), 12th District. Another freshman who couldn't wait to find his "right" seat among extremists, O'Keefe has staff problems; several have been fired or have resigned. O'Keefe may prove to be a Republican embarrassment.

ALAN ROBBINS (D), 20th District. ($286,698) Robbins' legal problems this year overshadowed his legislative performance. He's widely disliked by his colleagues for his energetic brashness.

NEWTON R. RUSSELL (R), 21st District. ($258,257) Quiet, businesslike Russell chairs the Public Employment and Retirement Committee amid warm feelings from his peers.

OLLIE SPERAW (R), 31st District. ($222,678) Speraw, a self-made millionaire in real estate, might be last on the list even if it were not in alphabetical order.

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never a bride in the GOP leadership lineup, having been bounced as caucus chairman on two separate occasions for lusting in his heart after the top GOP spot now owned by Campbell. His viewpoints are "extreme" to liberals, but they concede to him the label of "politically honorable." "He doesn't lie," says one liberal grudgingly. Richardson heads up the so-called Senate Republican Study Group, a conservative bloc. His external influence is highly regarded because of his law-and-order propensities, and his ability to raise money from pro-gun lobbies across the nation is regarded with awe. He has "the big picture" when it comes to causes that he supports, and his activities on behalf of these causes often extend beyond mere legislative work.

JOHN G. SCHMITZ (R), 36th District. ($345,782) Former Congressman Schmitz is a deeply conservative, anti-abortion fanatic with an extraordinary sense of humor. A Marine aviator in days gone by and a colonel now in the reserves, Schmitz is an accomplished public speaker whose main function seems to be trying to convince his colleagues that Martin Luther King was a communist.

ALAN SIEROTY (D), 22nd District. ($258,149) Sieroty is the man who bleeds when a Schmitz, Doolittle or Briggs has the floor. He is the original sad-sack liberal, hopelessly mired in detail and ideology. An attorney, Sieroty is chairman of the Education Committee.

GARAMENDI

MADDY

RICHARDSON

WALTER W. STIERN (D), 16th District. ($252,423) Stiern is the dean of the Senate, a veteran of 23 years of legislative battles. He is turning in his time, becoming increasingly frustrated with a Senate that has changed almost completely around him. He is well-liked, serves on the Agriculture and Water Resources, Education and Finance committees.

ROSE ANN VUICH (D), 15th District. ($212,517) The first woman elected to the Senate in its 132-year history, Vuich represents a district known to be the richest agricultural region in the state. She is bland, works for her constituency and is rarely heard from on statewide issues. A bit of a disappointment to women's groups because she is uninvolved in such causes, she is nevertheless a safe vote on women's issues. She chairs the Banking and Commerce panel.

DIANE E. WATSON (D), 30th District. ($276,659) Elected in 1978, Watson is a teacher by profession and a competent, hard-working legislator. She was a member of the Los Angeles city Board of Education prior to election to the Senate, and emerged as the Senate's outspoken proponent of busing. Strong in support of women's causes, Watson chairs the Health and Welfare Committee while she works on a doctoral degree at Claremont Graduate School.

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STRICTLY OPINION

*With this column, the **Journal** provides a forum for those wishing to express opinions on California political issues. Inquiries about future columns are encouraged.*

In praise of square tomatoes

By LARRY TABER

Most Californians are probably aware that agriculture is one of the state's leading industries. But beyond that, an appreciation of agriculture and its many contributions to the economy and well-being of the state and the country are less well-known and understood. At least that is the impression one gets reading recent contributions to the *California Journal*.

Now, I have nothing against these critics of California agriculture, and more particularly the food-processing industry, and they should have nothing against that "tough square tomato" developed by the University of California. While it might not win the backyard-garden beauty contest, that tomato — called the VF-145 — is of enormous importance to millions of Americans. Consider:

- This year California will produce in excess of 5 million tons of canning tomatoes, accounting for about 90 percent of the entire United States' crops for processing. The value of this harvest, based on the 1981 contract price to processors of $53 per ton, will exceed $265 million.
- Converting this harvest to a multitude of food products, from stewed tomatoes to pizza sauce, will involve about 60,000 cannery workers who collectively pour into the California economy an estimated $447 million in wages. Their fringe benefits, such as health care, total another $125 million.

The best guess is that tomato canning in California is a billion-dollar-plus annual industry. We almost lost it all a few years back. Hand harvesting of tomatoes is a miserable, back-breaking job, and during the 1950s and early '60s, California farmers relied heavily on Mexican labor available through the "bracero program." When this program ended in 1964, the pool of ready and willing field workers dried up overnight. Efforts were made by growers and canners to recruit labor — supposedly eagerly waiting for these available jobs. Thousands of dollars were spent to send buses as far east as Chicago to bring harvest labor back to California. The results of this were underwhelming. The handful of recruits that did make it back soon left for more desirable work, or no work at all. Were it not for the availability of a new tomato variety that could be machine harvested, California canned-tomato products would have priced themselves out of the market. Thousands of jobs and millions of dollars of contributions to the economy could have been lost to other states, but most likely to other countries.

The special tomato and the harvester were developed, in part, by the University of California, as part of its charter as a land grant college. The charter requires the university to conduct agricultural research and to foster communication among government, scientists, farmers and consumers. Generally, state-funded ag-research, conducted for the most part by UC Davis, is "pure," generating knowledge and techniques that serve the needs of the entire spectrum of farming in the state. From time to time, however, individual companies and trade associations sponsor "applied" research to be undertaken by the university staff. The amount of money involved can be substantial. But the oft-heard charge of some critics — that agri-business somehow manages or influences the direction of state ag-research — just doesn't hold water. Privately funded project work by agri-business interests has never amounted to more than 10 percent of the overall UC ag-research budget.

There is no question that the mechanical harvester displaced some California farm workers. But during the same period, since 1958 — a time when numerous manual tasks have been taken over by mechanical means — average employment of farm workers has actually increased slightly.

Meanwhile, tomato acreage under cultivation during the past two decades has grown from 142,540 to 280,300 acres. This year about 200,000 acres are expected to be planted.

It is incorrect to assert that canneries set the price they will pay for tomatoes. The purchase price is established when tomato growers get together each spring, through their bargaining association, to set the price. To be sure, canners individually set the amount of tomatoes they will purchase for processing, just as consumers do when they decide how many cans of what products to put into the shopping cart.

The seasonal fruit and vegetable processing industry in California has suffered economically in recent years, with many plants closing their doors forever. Tomato farmers and processors have been caught in an ever-tightening squeeze between higher production costs on one hand and a marketplace that simply will not accommodate all the product being forced into it. A rather inelastic demand has been over-satisfied, and the results are predictable — a struggle for survival, depressed prices and little or no margins.

A similar super-abundance of product faces peach growers. California has no hold on the world canned-peach markets and never had. It's a year-to-year battle with other world sources, many of which enjoy favored-trade status in the various markets and substantial subsidies from their governments. In the specific case of the Common Market, California canned clings face a 27 percent tariff, a duty which South African and Italian producers, for example, do not pay by virtue of their affiliation with the European Economic Community.

The real problem for California growers is not abroad but in California, and the peach growers' association has taken a bold step forward by encouraging its members to pull trees in an effort to get future supply in better balance with demand.

Whatever the future holds, growers and processors agree that we've got to enhance the marketing of our products to the same degree that we have improved their production. To paraphrase Adam Smith, we erred perhaps in being preoccupied with production rather than consumption. A lot is at stake in the health and vitality of the seasonal fruit and vegetable processing industry in California.

Larry K. Taber is the president of the California League of Food Processors.

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Will outspoken Maureen Reagan join the growing famous-name field in the 1982 race for the United States Senate?

The First Daughter

By MICHELE WILLENS

In a race which could involve several famous offspring, her name would be the most famous of all. Maureen Reagan is, among other things, the First Daughter of the president of the United States, and — at age 40 — the eldest of his four children.

She has also been the one who has spoken most independently of her father, particularly on women's issues. She is a longtime advocate of the Equal Rights Amendment and continued to work for it during last year's presidential campaign while she traveled tirelessly on behalf of the man she calls "Dear Old Dad."

Now she is seriously considering running for office herself, in a U.S. Senate race in which she could find herself pitted against candidates with names like Brown, Wilson, Goldwater, Hayakawa, McCloskey. Reagan insists she is not the slightest bit intimidated.

"None of them scares me," she says. "This will be a race where someone is going to have to be unique to get noticed and win, and I think the fact I am a woman, a Republican and able to get lots of media attention makes me unique. More important, I think I can draw in new people who have not been politically active before. And I make a lot of noise."

She has just launched an exploratory committee of supporters to see how much interest there is in a Maureen Reagan-for-Senate effort. "People have been urging me to run since 1979," she says, "but obviously, I couldn't even think about it last year. Unlike many others who were just posturing during the presidential campaign to plan their own next political moves, I really wanted to win that election (for her father). But last month, I finally said to these people, 'Okay — you think this is such a good idea, get out and see if there is any widespread support.' Part of that is finding out if money is there, but I don't think that would be a problem for me."

Michele Willens is a free-lance writer in Los Angeles and a regular contributor to the Journal.

Yellow for travel days

Reagan intends to make her final decision by fall. "I consider it a risk, but I believe in taking them," she says. "To go from always being in the private sector to smack-in-the-middle of the public sector is not a totally comfortable idea for me. Suddenly, I have to defend the system," she laughs.

In the meantime, Maureen Reagan continues a life that is so busy that she has to keep a multi-colored calendar at close hand to remind her where she will be at what time tomorrow. There are many yellow marks indicating the days she is out on the road, either for business or politicking. She is executive director of Sell Overseas America, an organization designed to help small- and middle-sized businesses improve their export opportunities. She travels occasionally to Europe and Asia to spread the organization's message.

"Most of my time is given to the business," she says, "but I also try to do at least one political thing a week, often more. It is hard for me to turn down Republican fund-raising events because I remember only too well what it was like being a program chair and trying to help the party in off-years. I also try to do at least one activity for a volunteer or charity organization every month, like an arthritis telethon. And,

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I speak to many women's groups."

She is also married (for the third time) to a man ten years her junior, and host of a Saturday afternoon radio program.

But it is the prospect of the Senate contest which is filling an increasing share of her time, partly because she feels all the other potential candidates are vulnerable. She calls Jerry Brown "one of the great slither artists of our time." Her relationship with Goldwater Jr. is obviously strained at best. "He thinks I'm a fire-breathing liberal," she says, "and has been known to say the party supported his father before mine."

Goldwater's campaign manager, John Rico, says he is not overly concerned. "I'm sure she has a following," he says, "but I'm not exactly sure what or where it is. We would consider any opposition formidable, but our own polls do not show her as a factor yet. We are at 38 percent; she is at 12 percent. I don't think the fact she is the president's daughter will have any bearing on the race. And I can tell you we have not come across one person who is reluctant to give us money until they know what Maureen Reagan is doing."

Maureen does not expect her father to play even a supporting role in the Senate race. She says she does not discuss her plans with the president or others in the administration. "I'm sure there are people there who would love me to run and others who think it wouldn't be such a great idea," she says. "I think any Republican's success or failure will depend largely on how voters feel the administration is doing, so my running won't be any more a referendum on my father than any one else's. I certainly wouldn't expect him to take any position in the primary, whether I'm in the race or not."

Free to disagree

She admits that if her father is riding high in popularity during 1982, it would help her chances for the nomination. She claims that she already feels confidence slowly coming back into the American people as she travels around the country. "I'd say people are feeling generated for the first time in years," she says. "They are ready and they want to participate in getting the economy going again. They are just waiting for someone to say, 'Okay, this way.' My closest friendships and my most wonderful experiences have been with women," she says. "I miss not being as actively involved with feminist groups as I once was. We've all gone on to other things and passed the torch to a new generation, but I do miss some of the camaraderie we had in the early days of the women's movement. But it is sort of fun being a businesswoman and a wife and an activist and being able to say, 'Oh yes, I am a feminist, by the way.' "

Although she anticipates being criticized for inexperience as a senatorial candidate, Maureen Reagan is ready for it: "I've been active in party politics all my life, and I've been involved with international trade for three and a half years. I think trade is the most important weapon for peace; my experience has taught me that the best way to break down barriers between the countries is on a people-to-people basis. Foreign policy could be done a lot better if government got out of the way, to a great extent, and allowed business people to talk to business people in other countries."

She insists that she will feel comfortable criticizing the Reagan Administration if she disagrees with any of its actions or policies. "So far, my biggest complaint is that there are not nearly enough women," she says. "Only Jeanne Kirkpatrick is in a position of Cabinet rank, and I think there are lots of qualified women who would love to be part of this administration."

But she is delighted with her father's nomination of Sandra O'Connor to the Supreme Court; she may have even helped in bringing it about. "A year ago last Thanksgiving," she recalls, "I was talking with my father and he mentioned he had been ready to appoint a woman to the state Supreme Court, but the justice he thought would retire did not. So I asked him about the United States Supreme Court should he become president, and he said he would appoint a woman there as well. I asked him point blank, 'May I quote you?' and he said yes. When he was making his decision (on O'Connor), I gave him a little nudge and reminder — but then I always do."

Overall, she says, being the president's daughter has not disrupted her life terribly — although she is always aware of the security agents nearby. "That could be a burden if you didn't keep it in perspective," she says. "But I only have to recall what happened to this country when hostages were taken in Iran — I think what would happen if the president's children were taken. You get used to it, and it is protection when people are so concerned about crime. The other day, I walked out of a restaurant and I realized the agent was still paying for his lunch. I felt very much alone standing out on the sidewalk."

There is also a new awareness of the responsibility that goes with being the child of a president. "It really hit me when he was shot," she explains. "The daughter in me wanted to get on the first plane and fly to be by his side — but the responsible citizen realized it might alarm the country too much and make people think he was sicker than he was. So I compromised: I did leap on a plane and fly to be with him, but I also leaped on a quick plane back to let people know he was okay."

She continues to feel it is every citizen's right to speak out on issues of concern, as she has always done. But she clearly has mixed emotions about her half-sister Patti's recent decision to make her public speaking debut criticizing nuclear power. She feels her brother Michael has been unfairly picked on by the media about his various business ventures. "The press would just love to find another Billy Carter," she grins, "but they're not going to find one in our family. We are not funny or frivolous people."

Giving Jerry fits

Is it possible that Californians may once again be faced with the choice between a Brown and a Reagan in 1982? At least one veteran political consultant, Stu Spencer, thinks Maureen Reagan should be taken seriously. "If she ever gets her act together, she could be an extremely strong candidate," Spencer says. "She is articulate, understands the issues and has presence. She has real credentials with women's groups, and that could be a strength. I don't know if the fact she is the president's daughter would be a plus or minus in the end. A candidate like her would give Jerry Brown fits because he wouldn't know how to handle her."

But Lu Haas, the Brown aide who may end up running the governor's 1982 campaign, disagrees: "I would say we wouldn't take her seriously as a candidate," he says. "She's just too much of a question mark and would be seen as trying to capitalize on her father's name. She would be easy to run against, because she creates an issue for the other side immediately and that issue is Ronald Reagan. As for the women's vote, I don't think women vote for other women based simply on the sex. I can't imagine anyone being as strong as Jerry with women."

The crowded field may only help Maureen Reagan because, as she says, she is unique. She also has a quick wit, media savvy and is good on a one-to-one basis with people, unlike Brown, Hayakawa and Goldwater. Clearly, for her the major stumbling block would be credibility. She would have to convince voters that there is more to her than a golden name and friends in high places.

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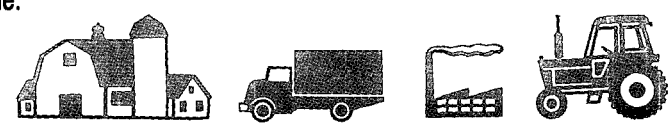
SPECIAL SECTION

California's economic future

Despite frequent complaints from corporate boardrooms that California has an adverse business climate, the economy of the state is extremely healthy. And the outlook for the future is highly favorable, mainly because the state is leading the nation in a great resurgence of foreign trade. California shares the benefits of a Sun Belt location with several other states; yet the Golden State has some significant advantages over other warm-weather parts of the country. In the following two-part special report, the California economy is dissected into its major elements, with special attention devoted to the potential of international trade.



The Pacific Basin bonanza

By BOB BREUNIG

The United States — paced by California — may be on its way to achieving the greatest economic turn-around since the West German and Japanese "miracles" following World War II. It is clear that the nation's chain of massive balance-of-trade deficits may soon be broken, despite the burdens of extraordinary foreign oil costs and tough competition from other industrial nations.

To a large degree, the American economic resurgence is being led by California. The state's preeminence in computer and aerospace design and manufacture, plus its aggressive corporate expansion into the Pacific Basin trading region, have helped to convert a state trade deficit in 1977 of almost $7 billion to a projected deficit in 1981 of $725 million. (See chart.) And, what is most crucial to the state and the nation's welfare, California in 1982 could finish the year with a $600 million-plus credit. If oil imports are reduced by lowering domestic use and stabilizing cartel prices, and if California can expand trade with Pacific Basin countries, the state could lead the United States back to its position as the world's unchallenged leading exporter of goods.

To understand the pattern of trade recovery now developing, the import-export statistics for 1976-80 are helpful. In that period, California imports increased from $15.3 billion to $29.4 billion, a gain of 92 percent. In the same period, exports increased from $11.5 billion to $26 billion, an increase of 133 percent. While the dollar value of imports was larger than exports, the rate of increase for exports was almost half again as large.

As a result, the state balance-of-trade deficit has fallen from its all-time high of $6.9 billion in 1977 to $2.6 billion in 1980 — a decrease in the annual deficit balance of 62 percent.

The $8 billion turn-around

If current import and export rates maintain their pace through 1982, there is a strong probability that the state will post in that year its first credit balance of trade since 1967. And in 1983, barring economic or political catastrophe, California trade may post a credit balance of $1 billion — a turn-around of $8 billion in six years.

Bob Breunig is director of public affairs at Long Beach State University.

A gain of such magnitude has encouraged economists around the world to revise their views on the California and American economies. Already hundreds of foreign firms from Japan, Great Britain and West Germany — impressed with the ability of the state economy to withstand the onslaught of rising energy costs and competition from better-equipped firms abroad — have invested heavily in California. More than 800 Japanese companies alone have established American-chartered (and tax-paying) California subsidiaries. For much of the trading world, California is the richest market in the world, a fact that has both helped and hindered California international trade. On one hand, foreign competition and new markets, especially in the Pacific Basin nations, have encouraged some California companies to broaden their vision, increase their overseas investments and expand their operations. On the other hand, the rich state market is often more tempting than the risk of trading abroad.

The California economy in modern times has outpaced the American economy. Some 23,669,000 Californians represent 10.5 percent of the national population of 225,479,000. Yet California's gross state product (GSP) represents 11.9 percent of the U.S. gross national product (GNP). In GNP per capita, the American average is $11,659; the California average is $13,194 — 13.3 percent above the national. And the state's international trade is 12.3 percent of the United States' international trade.

What is the key to California's success in developing its robust economy? In large part the answer is geography — the state's location as the principal gateway between the world's largest economy and the world's fastest-growing region. Although the immense forces which are reshaping American trade are not yet clearly seen by most Americans, increasing numbers of corporate executives, planners, statesmen and economists have a vision of the Pacific Basin superseding Western Europe as a world center for industrialization, consumerism and trade. The Pacific Basin — the great circle of nations extending along the western coasts of the Americas, the eastern coasts of Russia, Japan, and China, through Southeast Asia and Australia — comprises 60 percent of the world's population and 40 percent of its trade. Already Japanese political leaders have called for discussion of the need for a Pacific Community of Nations and for a Pacific Common Market.

Such a goal has already become partial reality. In 1980, American trade with the European Common Market coun-

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tries totaled $89.7 billion; for the Pacific Basin nations the total was $113.9 billion. In the last several years, Japan has become the largest overseas trading partner of the United States; five additional Pacific nations are among America's top 20 trading partners. Canada, another Pacific nation, remains the nation's largest trading partner.

The economic phenomenon

In 1980, California's 25 top trading partners (above $250 million annually) included 14 that were nations of the Pacific Basin. The state reported a credit balance of trade with eight of these nations.

Clearly, California is an economic phenomenon. In gross national product it ranks eighth among the nations of the world (after the United States, the U.S.S.R., Japan, West Germany, France, the People's Republic of China, and the United Kingdom). In per capita income, the state ranks fourth among the nations of the world (after the United Arab Emirates, Kuwait, and Qutar). In terms of international trade, California ranks 14th among the nations of the world. Indeed, the area within a 60-mile radius of downtown Los Angeles ranks fourteenth in the world in terms of gross national product.

California's international trade passes through three customs districts — San Francisco (the ports of San Francisco, Oakland and the San Francisco International Airport), Los Angeles (the ports of Los Angeles, Long Beach and the Los Angeles International Airport) and San Diego. The San Francisco Customs District is ranked eighth in the nation in terms of foreign trade dollar value. Almost 34 percent of the state's international trade passed through this district. The exports of greatest value were machinery and mechanical equipment, electrical machinery and equipment, transportation equipment, optical, scientific and photographic equipment, cotton and agricultural exports. The Pacific nations accounted for 72.4 percent of the district's total trade.

The Los Angeles and San Diego Customs Districts reported a total trade in 1980 of $37.3 billion, an increase of 26 percent over the previous year. The value of exports increased 35 percent and the value of imports 19 percent. Despite the large increase in exports, the districts reported their fifth balance of trade deficit in as many years: $4.9 billion. Leading export categories were transportation equipment, aircraft and parts, machinery and mechanical equipment, electrical equipment and machinery, cotton and agricultural products. Imports were led by $2.2 billion of automobiles and motorcycles from Japan. Other import categories, in order, were electrical machinery and equipment, petroleum ($2.7 billion), machinery and mechanical equipment. About 65 percent of all trade conducted by these districts was with Pacific nations.

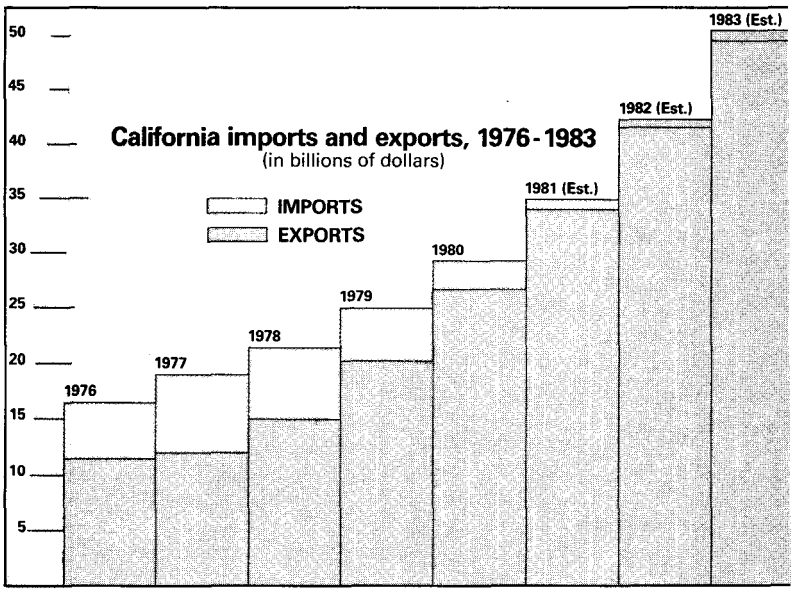
Although Japan is the leading trading partner of both Northern and Southern California (25 percent for the North; 32 percent for the South), their additional major partners are somewhat different. For the North they are the nations with the fastest-growing economies in Asia — Singapore, Malaysia, the Philippines and Hong Kong. For the South, major trading countries after Japan in 1980 were Taiwan, Mexico, Indonesia and South Korea.

Trade with Western European nations still remains significant for California (about $9 billion in 1980), but 14 Pacific Basin nations accounted for 82 percent of California total trade, or $46.25 billion.

The protectionist trend

The continued growth of international trade is not going to occur without difficulties. Chief among them is a growing protectionist sentiment among American industrial leaders who fear the competition of imports, especially Japanese steel and automobiles. Tariffs and embargoes are often politically expedient responses to such competition, but restricting trade does not make Japanese cars less attractive to Americans or their steel mills less efficient.

Also, trade restrictions often backfire. Japan imports much of California's agriculture and will continue to import foodstuffs from somewhere. Japan also imports the bulk of its iron ore, one of the basic raw materials in steel production, from Australia. Australia also has tremendous potential for exporting agriculture but as yet Japan has not tapped that source significantly. If the United States were to restrict Japanese imports of steel and cars, it could touch off a classic trade war. In retaliation, Japan could turn to



Australia for increasing agricultural imports, substantially reducing California's share. Tom Flynn, director of California's office of international trade, attributes much of Japan's success to the strategic planning of its Ministry of International Trade Institute.

A regional structure

If much of the future of California and the United States is to be tied to the Pacific Basin, what kinds of political and economic changes will be required? The most basic need is for a regional community structure. Many of the nation-states are geographically isolated, making international trade inevitable for their economic progress. There will need to be a shift from labor-intensive to more capital-intensive industries in underdeveloped nations. With rising consumer expectations in developing nations will come a large undeveloped consumer demand. Advancements in transportation and communications technology will make trade expansion more feasible.

Interest is growing on both sides of the Pacific. The late prime minister of Japan, Masayoshi Ohira, proposed in 1978 a Pacific Community composed of the United States, Japan, Australia, New Zealand, Canada and other Asian countries. A Japanese fact-finding commission has recommended the creation of a "Pacific Declaration on Trade and International Investment" and the establishment of a non-governmental committee to serve as a steering organization for future meetings concerning the Pacific Community idea.

In a recent address at the East-West Center, U.S. Ambassador to Japan Mike Mansfield discussed the regional concept. "Private organizations . . . are the best avenues for continued discussion and elaboration of designs for a

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Pacific Community," he said. "Non-governmental activity is less likely to arouse fears of diminished sovereignty — a fear several nations have voiced. Non-governmental institutions are also free to consider a wider range of possibilities.

"In the meantime," Mansfield said, "it is up to those of us who are in the service of our governments to pursue and promote policies which will lead to greater international stability and increased prosperity for the nations of the Pacific Basin."

California is superbly positioned by location and resources to provide leadership for American participation in such a Pacific Community. Much of the future of California in the next century — and, to a significant extent, the future of the United States — will probably lie in the New Far West.

Economic Climate Forecast

By LIBBY LANE

California is hardly immune from the economic woes that envelop the nation and much of the world. Yet in relation to the rest of the United States California appears well off. Part of the reason for the relative strength of California's economy is that it has a smaller proportion of employment in those sectors most vulnerable to economic downturns: mining, construction and manufacturing. Similarly, a higher proportion is in service, trade, finance and government — the sectors generally less susceptible to fluctuations

An equally significant contributor to California's well-being is its physical geography and location. Between the Sacramento and San Joaquin valleys, California has the most fertile and productive farm land in the world. The diversity of its natural resources, from oil and natural gas to timber, make it less dependent on the importation of these commodities than other states. By virtue of its geographical location — on the edge of the Pacific Basin and Latin America — California has ever-increasing markets for its productivity.

California's temperate climate and open spaces — punctuated with valleys, rivers, mountains, beaches and deserts — have provided for a quality of life that has attracted millions of people seeking to better themselves. It also enticed a glittering entertainment industry and fostered a construction industry hard-pressed to keep up with the demands of a growing population.

But as California enters the final fifth of the 20th Century, the story of its economy is destined for significant change. Among its major industries and businesses, the problems and prospects certainly differ, but each of them faces a common condition: The burgeoning growth of the state's population and economy, especially since World War II, is producing a new set of challenges as well as some new opportunities.

Here are some capsule views of the state's major industries, based on interviews with dozens of business and government leaders:

Agriculture

In 1980 there were 344,700 persons employed by the state's agribusiness.

California farmers received $13.7 billion for a record of 51.3 million tons of farm products in 1980.

There are 10 commodities grown in quantity in no other state: apricots, figs, dates, raisins, olives, prunes, walnuts, garlic and ladino clover seed.

California claims only 3 percent of the nation's farmland but produces about 10 percent of the total gross cash farm receipts. Of the 10 leading agricultural counties in the United States, eight are located in California. Fresno County alone ranks higher in gross agricultural receipts than 18 states in the United States. Probably California's biggest agricultural strength is its diversity: More than 250 different crops and livestock products are produced, thus reducing farm sector's vulnerability to fickle weather conditions and fluctuating market demands.

But change is occurring:

- **Dairy products** are now the leading cash product in the state, replacing cattle and calves. Cattle ranchers are experiencing several problems, especially the declining American appetite for beef. Alan Christensen, dean of the Cal-Poly Pomona school of agriculture, says that in 1976-77 Americans ate an average of 130 pounds of beef a year; now it is down to 80 pounds.
- **The number** of slaughtering and processing plants in the state is dropping. In 1973 there were 90 plants; now there are only 59. The reduction is the result of economic decisions by processors either to relocate in other states or go out of business entirely. States like Texas, Oklahoma and Iowa, where feed and labor costs are less, are picking up the slack. Hans Van Ness, deputy director of the state Board of Agriculture, says the cattle industry is in a "shake-out" period: Grassland in the California foothills is perfect for cattle grazing, but if ranchers must ship the cattle to the Midwest for processing, they will lose market advantage, and demand for higher-priced California meat will drop.
- **Almost 25 percent** of what is grown in California is exported to other countries, contributing greatly to a favorable balance of trade. There is a huge market in Japan, China and Korea for California cotton; 84 percent is exported. Of the state's wheat, 81 percent is shipped abroad; or rice, 45 percent. Most almonds (84 percent) grown in the state are shipped to Japan and Germany. The high overseas demand for almonds is the result of an aggressive campaign on the part of almond growers to create a market: Most Japanese and Germans were not familiar with almonds and their uses until the promotional drive began.
- **Table and wine grapes** are another commodity benefiting from export demand. Grapes have a built-in stability factor — if the demand for table grapes is down, they can be sold for wine grapes and vice versa. With consumption of wine going up, there is little gamble involved.
- **While agriculture** is turning to crops with good export markets, it also is looking for crops that don't require vast amounts of hand labor. Increased mechanization cuts costs and gives farmers the advantage of not being dependent on a mercurial labor situation.
- **To remain competitive,** farmers must be able to purchase the latest in farm machinery. But with interest rates at 20 percent, the thought of purchasing a $150,000 tomato harvester is prohibitive for all except the largest farmers. And production costs — energy, water and petroleum-related pesticides — are increasing.
- **Water, more than energy,** is agribusiness' greatest uncertainty at present. California agriculture uses

Libby Lane wrote "Challenging the Silicon Valley" in the August Journal.

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85 percent of the state's water; it has been cheap and plentiful but may not be much longer.

- **Pesticides in agriculture** continue to be controversial, and farmers who say they can't get along without them are unhappy with a growing public sentiment for pesticide control or elimination. Agriculture experts are eager for more research in genetic engineering that could develop plants to be grown in areas experiencing increased salt build-up in the soil.

Aerospace

Nearly one-third of the nation's aerospace companies are located in California.

One-fifth of total U.S. aircraft manufacturing employment and three-fifths of the nation's missile and space equipment manufacturing employment are concentrated in California.

Because aerospace activity is largely dictated by federal expenditures, it is relatively independent of general economic conditions. But when an aerospace recession coincides with a national economic downturn, California can suffer serious economic hardships. This was particularly true between 1968 and 1974 as the Vietnam War wound down: Aerospace employment dropped from a high of 616,000 in December 1967 to a low of 409,000 in January 1972.

California may be in for an aerospace boom with President Reagan's increased defense appropriations. Ted Gibson, a vice president and economist for Crocker Bank who watches over the aerospace industry, predicts that the politics of the MX missile are too volatile and that it will be "scrapped." An updated version of the B-1 bomber is more likely, Gibson says. Rockwell International of Southern California built four B-1 bombers before it was cancelled in 1977 by then-President Carter. According to Gibson, Rockwell kept its design staff and may be able to pick up where it left off.

One critical problem in California aerospace is the possible shortage of qualified personnel. After the recession in the early 1970s, many engineers and technicians went elsewhere, either to other engineering fields or out of state. Gibson notes that colleges have not been graduating as many aerospace engineers in the past 10 years due to the slumping job market.

Another aggravation stems from the high cost of living in California, particularly for housing. Although aerospace firms typically offer attractive salaries, the advantage is all but wiped out with housing costs 50 to 100 percent higher than in other competing states.

As for commercial aircraft production, California has historically had a large portion of the market with McDonnell-Douglas and Lockheed both located in Southern California. (The third big commercial aircraft manufacturer is Boeing of Seattle.) Ten years ago, U.S. manufacturers supplied almost all of the world's commercial aircraft, but due to greater foreign competition a permanent fraction of the airplane building business has gone out of the United States.

Federal dollars fertilized the first fruits of the state's electronics industry, but it now has grown far beyond the government's defense and aerospace demands. In the early 1960s, the electronics industry relied on the government for more than half of its contracts; by 1977 the government only accounted for 29 percent.

Electronics firms employ more than 400,000 Californians — almost 23 percent of the state's manufacturing employment. It accounts for $6 billion in wages annually and produces 30 percent of the nation's output in electronic/high-technology equipment and supplies. However, like other industries in the state, electronics has its own problems. They range from a shortage of qualified engineers and technicians to a lack of adequate venture capital. (For a detailed analysis of the electronics industry, see last month's *Journal.)*

Construction

Average building-industry employment for 1980 was 431,000, down 6½ percent from 460,000 in 1979.

The state Department of Housing and Community Development estimates 315,000 homes must be built each year to meet the state's housing needs. Only 145,000 were built in 1980. Security Pacific National Bank predicts that 170,000 homes will be built in 1981.

The construction industry is beset by problems: rising building costs, lack of mortgage financing, high interest rates, stringent building and environmental codes. Yet it still continues to be a major industry in California. In fact, Ben Bartollotto, director of the Construction Industry Research Board, contends that construction is the state's largest industry in terms of goods produced as opposed to services. With all the trades and skills that go into building a home, a marked slowdown in the business has tremendous ripple effects.

Non-residential construction (office buildings, warehouses, manufacturing and distribution plants) appears to remain strong. Shirley Stevenson, a construction economist with Security Pacific Bank, cites two reasons for the heavy demand for warehouses and distribution plants. One is increasing international trade in the Pacific Basin; a second is the lifting of the state's business inventory tax.

The residential side is inherently more credit-sensitive, and supply has failed to meet demand for several reasons. Immigration and increasing numbers of single-person households were underestimated. Around 1975, speculators started buying and renting houses for investment purposes, reducing the number of houses available for sale. Environmental regulations became increasingly stringent, reducing the amount of land available for urban development. Sewer capacity and road construction lagged, making it impossible to build in some areas. And permit approval, which used to take four to six months in 1970, now takes 18 months or longer.

Urban coastal counties like San Diego, Los Angeles and Santa Clara still account for most of the residential activity. But business forecaster Larry Kimbell of the Graduate School of Management at UCLA foresees growth in home construction moving inland to cities like Fresno, Sacramento and Stockton.

Tourism

Tourism supports jobs for nearly 488,000 persons in the state.

More than 5 million acres of California's land area are devoted to state and federal parks, recreation areas and historical sites.

Anyone who has spent a day walking around Carmel or skiing at Mammoth should realize that it is on tourism that these communities thrive. While it obviously helps hotels and motels, bars, restaurants and recreational establishments, the tourist dollar also trickles down to clothing and department stores, sporting goods dealers and grocery stores. It is an industry that provides employment for groups with usually high unemployment rates, including the unskilled, teen-agers and the under-educated.

American travelers in 1979 spent $19.1 billion in California. Expenditures by foreign visitors added an estimated $2 billion.

Although tourism does suffer in times of economic slowdowns, rising travel costs and inflation, people still seem to travel — just not as far. That is where California's unparalleled beauty and diversity come in. According to Richard W. Ayer, vice president of Security Pacific's research department,

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California is the most popular vacation and business travel destination in the United States, followed by Florida, New York and Texas.

Most tourism is concentrated in large metropolitan areas where it provides 7 to 10 percent of total personal income.

Entertainment

Although this multi-billion dollar industry employs only about 65,000 persons and is generally confined to Southern California, its multiplier effect on dollars and employment extends statewide, from theaters to filmmaking locations in San Francisco, Death Valley and elsewhere.

With the growth of cable television and home video entertainment, the industry is on the verge of technological and economic revolution. The quantity if not the quality of programming will increase, and new legal precedents for ownership and profit-sharing will be significant.

The national executive secretary for the Screen Actors Guild, Chester Migden, compares cable television's impact on the entertainment industry to the one that occurred when television first came into its own in the early 1950s. Migden believes the industry is at a crossroads — and all paths lead to great expansion. Some cable companies will be providing 80 channels and, as Midgen says, "Something has to occupy those channels." More production definitely means more employment.

Manufacturing

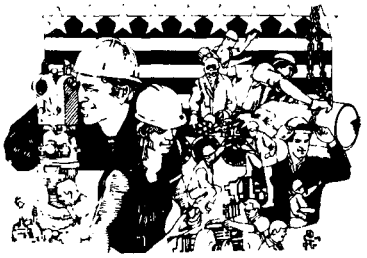
When aerospace and electronics industries are considered separately, what remains in the manufacturing sector are such "basic industries" as rubber, steel, autos and canning. These industries are not performing very well in California. Groups like the California Manufacturers Association (CMA) and the California Chamber of Commerce (CCC) place the blame on the state's unfriendly business climate. They cite high taxes, excessive environmental and safety regulations, a negative attitude toward business from the Brown Administration, high workers' compensation and unemployment insurance rates, unreliable energy sources, delays in permit approvals and product-liability decisions.

To substantiate their complaints, they financed a study measuring the manufacturing business climates of the 48 contiguous states. California came in 45th, ahead only of New York, Connecticut and Michigan.

Ben Munger, a consultant for state Senator Bill Greene, has been doing research on plant closures in the state and offers some points that don't often get mentioned by manufacturers. For example, steel production in California and nationwide has been undersold by the Japanese because Japan's plants are more modern and employ cogeneration. American steel plants, built shortly after the Industrial Revolution, are antiquated. The massive capital investments needed to stay on top technologically were postponed, and now American plants have lost the competitive edge.

Similarly, tire and rubber manufacturing is down, says Munger. Some of the reasons are obvious: The advent of the radial tire, which lasts two to three times longer than the conventional tire, meant that demand would be two to three times less. Also, 55 percent of the cars coming into California are Japanese with Japanese-made tires, so overall demand for U.S. products is reduced considerably.

Canneries have been closing, particularly in the Santa Clara Valley. There used to be thousands of acres of orchards there, but they have been replaced by housing tracts. What astute business person would continue canneries in a location where there is no longer any fruit? Canneries still abound in California, but new ones are being built close to the crops.



As for the automobile industry in California, it may pull itself up by the bootstraps. In February 1980, Ford Motor Company closed its Los Angeles assembly plant, putting 2,000 people out of work. Ford is now concentrating on its Milpitas plant, near San Jose, which in September will be converting from Ford Mustangs and Mercury Capris to the more fuel-efficient Ford Escort and the Mercury Lynx.

Public sector

Growth in public employment (with the exception of the military) has been stunted by the passage of Proposition 13, but it remains stable. California continues to rely more on government as a source of jobs than do most other states. There are two major reasons: a disproportionate share of federal jobs due to regional offices located in California, and a large concentration of military installations in the state.

Total government employment in the state is 1,766,900, or 17 percent of all workers. Fourteen percent (1,436,400) are state and local employees; the federal government employs 330,500. Public education accounts for 767,800. In the Sacramento area alone, there are 47,200 state employees.

Statistics for military employment are staggering. The Army employs 39,876 (both civilian and military personnel) at 16 installations. The biggest is Fort Ord with 18,966. The Navy and Marine Corps employ 192,279. The Navy has 48 installations (13 in the San Diego area) with 119,429 employees. The Marine Corps has eight bases and the Air Force has 38 installations in the state. Military installations in the state total 111; Florida has the second highest number — 57.

Resources

California is the fourth largest producer of oil (behind Texas, Alaska and Louisiana) with 975,000 barrels a day. Since domestic oil prices were decontrolled and the foreign oil prices have skyrocketed, there are new incentives for exploration and production. Kern County oil fields account for most of California's oil reserves, producing about 54 percent of the state's total. Although the petroleum was discovered decades ago, drilling was economically unfeasible until recently. The only method of extracting the heavy oil is to inject steam into the ground. Heating the steam to move the oil means something has to burned, further polluting the air.

California's 40 million acres of forest are largely located in the north. Second only to Alaska in forested land, California's woodlands cover 40 percent of the state. Forestry contributes only modestly to California's economy; it hires about 50,000 persons, or 1.2 percent of total state employment. But in 13 counties it accounts for more than 70 percent of manufacturing employment.

Because the lumber business is so dependent on home construction, employment is down and mill closures are up. When interest rates drop, demand may rise quickly, but there are two other disturbing trends: The amount of federal timber in the future is unknown due to possible expansion of wilderness areas. And there is a gradual move of lumber mills to the southeastern United States.

Mining continues to be an important industry for California, although it employs only about 10,000 persons. No other state produces such a wide variety (34 mineral commodities) or exceeds California's production of asbestos, boron, cement, diatomite, sand and gravel, rare earths and tungsten.

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Vanishing species: the independent newspaper

By BOB KORDA

Independent, locally owned newspapers in California are becoming as rare as moderately priced housing. Of the state's 110-plus dailies, 32 are currently owned by Eastern-based chains. Nearly half of the remaining newspapers are owned by California-based chains such as Freedom and McClatchy.

While the acquisition trend is evident, the long-term results are less clear. Critics of the big chains say that any paper loses its hometown identity and independence when it becomes a member of a corporation. But a statewide survey of recently acquired newspapers suggests that some dailies are improving under their out-of-town owners; others are obviously not.

"My impression," says University of California, Berkeley, journalism professor Ben Bagdikian, "is that with very few exceptions, firms buy papers for a relatively fast return on their investment. If you want to upgrade a paper editorially, you can't do it quickly. The best papers are those that reinvest much of their profits back into a paper. A family-owned paper is more likely to do that than a chain."

Here in California, three chains — Gannett Company, Knight-Ridder Newspapers, and the (Chicago) Tribune Company — have been the major players in the newspaper sweepstakes.

Gannett, based in Rochester, New York, is the nation's largest chain with 83 dailies and a combined 3.6 million daily circulation. Its six California papers, which include the *Oakland Tribune*, *San Bernardino Sun* and *San Rafael Independent-Journal*, reach almost 400,000 Californians each day. Along with newspapers, Ganett owns TV and radio stations (including four radio stations in California), an outdoor advertising agency and the Louis Harris polling organization. From revenues of $1.2 billion last year, Gannett earned $151 million.

Knight-Ridder Newspapers, a result of the 1974 merger of Florida-based Knight newspapers and California-based Ridder Publications, owns 24 dailies in 17 states. Its combined circulation is about 3.5 million, and among its papers are the highly respected *Philadelphia Inquirer* and *Miami Herald*. Although it owns only three California papers (the *San Jose Mercury-News*, *Long Beach Press-Telegram* and *Pasadena Star-News)*, their combined circulation totals more than 440,000. Knight-Ridder also owns radio and TV stations and recently entered the cable TV industry. It earned $92 million in 1980 on revenues of $1.1 billion.

Transforming the *Green Sheet*

The Tribune Company, based in Chicago, is the largest privately owned newspaper group in the country. With seven papers, the chain's circulation is about 3.4 million daily. Among its papers are the *New York Daily News* (the nation's second-largest daily after the *Wall Street Journal*, with a mid-week circulation of 1.5 million) and the *Chicago Tribune*. Its three California papers include the San Fernando Valley-based *Daily News*, the *Peninsula Times-Tribune* and the *Escondido Times-Advocate*. Its California circulation is around 210,000. The company has interests in radio, TV, cable TV and forest products. It had revenues of $1.2 billion in early 1980, earned $78 million, and recently offered to buy the Chicago Cubs for $20.5 million.

While it is difficult to generalize on the impact these chains have had on the California newspaper scene, one thing is certain: They have made a difference. According to most observers, the biggest and most positive change occurred in the sprawling San Fernando Valley, north of Los Angeles. In 1974, the Tribune Company purchased the *Valley Green Sheet*, a four-day-a-week, free throwaway shopper, from Ferdinand Mendenhall whose family had owned the paper for years. At that time the paper was a gold mine, publishing neighborhood news and carrying as much classified advertising as some of the top papers in the country. If you wanted to buy or sell anything in the Valley, you went to the *Green Sheet*.

The Tribune Company brought in four key people to transform the paper. J. Scott Schmidt, former feature editor of the *Chicago Tribune*, became president and general manager. Thomas Culligan, *Tribune* marketing service manager, was named advertising director. Tom Osborn, assistant to the *Tribune* circulation director, took over circulation duties, and Bruce Winters, former Los Angeles bureau chief of the *Baltimore Sun*, became editor.

These four executives transformed the sleepy little shopper into a real community newspaper. They tripled the editorial staff, initiated aggressive reporting of city and county government, and started new sections. Young, talented reporters were hired, salaries increased and a Sacramento bureau was opened.

"The paper had nowhere to go but up," says one reporter. "It was a real piece of garbage. But everything the *Tribune* has done has been positive."

To increase revenues and help pay for the added staff, the paper began to encourage paid subscribers. Bonuses such as book supplements and TV guides were given to paid subscribers, and an extensive advertising campaign began. The name of the paper was changed to the *Valley News* and, this year, to the *Daily News*. The paper began to break significant news stories, including the Jerry Plotkin hostage-drug story and the Israeli Mafia story. Latest circulation figures show 114,000 paid subscribers and 95,000 freebies.

"Our objective is to become the leading paper in the northern tier of Los Angeles County," says General Manager Schmidt. "But it's going to take a long time." That portion of Los Angeles County includes numerous small communities spread over 2,660 square miles with a population of 560,000.

As for the relationship between the Tribune Company and the *Daily News*, Schmidt said, "It's really very simple. We prepare a budget, present it to the company and we discuss it. In my five years here, they've never told me I'm spending too much." Some of Schmidt's reporters disagree, however. "Each year they reach a point where they cut back overtime and expenses," one reporter says. "It seems to

Bob Korda is a Los Angeles attorney and free-lance writer.

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happen earlier and earlier each year." Another reporter comments, "This place makes big bucks. They're cheaper than they need to be."

"The strength of the *Green Sheet* was in its allegiance to its readers and its strong community ties," says Mike Emory, a professor of journalism at California State University at Northridge. "The *Daily News* seems to have maintained that reader allegiance, and I think most people are pleased with the new paper."

The Tribune Company has not enjoyed the same success about 40 miles north of San Diego in Escondido. There, in a booming community, the *Escondido Times-Advocate* is losing circulation and trying to establish its identity. The Tribune Company bought the *Times-Advocate* in 1977. The paper was then an established community institution with great market penetration. John Armstrong, a reporter for Associated Press, was brought in as president and general manager. Armstrong recruited Tom Nolan, former metropolitan editor of the *Washington Star*, as city editor. Nolan eventually became managing editor.

Like the *Daily News*, the *Times-Advocate* set out to broaden its horizons. "Our goal has been, and still is, to be the regional newspaper for north San Diego County," says General Manager Armstrong. The similar *Daily News* and *Times-Advocate* strategies of becoming their area's regional papers is coincidental, Armstrong says. But in Northern California, the company bought two previously separate papers, the *Palo Alto Times* and the *Redwood City Tribune*, and combined them into a more regional daily, the *Peninsula Times-Tribune*.

In Escondido, the paper's editorial staff was increased by one-third. New technology and zoning editions were introduced and the paper's coverage changed from a strong community focus (reporting on local clubs and such) to a more topical style.

Kathy Russell, a 15-year veteran at the paper, thinks most of the changes have been positive. "But we haven't seemed to find our audience. Before we were more responsive to the little people at the PTA meetings and such. Now, we're trying to appeal to a changing community."

A recent price increase and the paper's change in coverage have probably contributed to the slipping circulation at the *Times-Advocate*. Nolan, the former managing editor of the paper who has since gone to the *Herald-Examiner*, says that the Tribune Company watched over his budgeting so carefully he was not able to produce the paper he wanted.

General Manager Armstrong disputes Nolan's claims, saying that the Tribune Company was spending more than enough money in Escondido and that the paper's growth was progressing at a satisfactory level.

The 'Pulitzer syndrome'

The Knight-Ridder Newspaper organization has an excellent reputation in the industry. Papers within its group have won numerous Pulitzer and other prizes and are often upgraded dramatically after joining the chain.

In San Jose, the *Mercury-News* has evolved into one of the most respected papers in the state. Prior to the 1974 merger, the morning *Mercury* and afternoon *News* were both conservative, pro-growth papers. Knight-Ridder brought in Larry Jinks from its Miami paper. Jinks promoted existing talent, hired new and aggressive reporters and established a more balanced editorial policy. He has subsequently been promoted to an executive position within the chain.

In Long Beach, Knight-Ridder has had some problems. According to veteran reporters at the paper, the chain brought in corporate types from Florida, dubbed "the Miami Mafia," who have de-emphasized local coverage and instead stressed prizewinning and competition.

"If there were a fire here in Long Beach, we couldn't cover it because these guys wouldn't know how to get there," says Mary Neiswender, a 15-year veteran of the paper and one of its top investigative reporters. "Everyone they brought in here is busy working on projects and trying to win prizes. But in the meantime, we don't have a night police reporter, we haven't covered the city council all week and we've lost lots of stories to our competitors, including the lesbian scandal at the Navy ship, Norton Sound, right here in our own port."

Neiswender's views were echoed by other veteran reporters at the paper. "There's a Pulitzer syndrome here," says George Laine, a veteran copy editor at the paper. "We've published some fine investigative pieces, but in the meantime, we've sacrificed a lot of the day-to-day stories in Long Beach."

Larry Allison, the paper's editor who was trained in Knight-Ridder's Detroit and Lexington, Kentucky, papers

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Links in the chains

Gannett Newspapers		
San Bernardino Sun-Telegram	*86,625*	
San Rafael Independent-Journal	*43,355*	
Salinas Californian	*24,607*	
Stockton Record	*56,185*	
Visalia Times Delta	*20,030*	
Oakland Tribune/East Bay Today	*183,341*	
Knight-Ridder Newspapers		
San Jose Mercury-News	*258,937*	
Long Beach Press Telegram	*124,053*	
Pasadena Star-News	*50,898*	
Tribune Company		
Daily News	*114,000*	*paid*
	95,000	*free*
Peninsula Times Tribune	*62,677*	
Escondido Times-Advocate	*31,297*	
Thomson Newspapers		
Barstow Desert-Dispatch	*7,674*	
Eureka Times Standard	*21,413*	
Lancaster Ledger-Gazette	*8,703*	
Oxnard Press-Courier	*21,025*	
San Gabriel Valley Daily Tribune	*69,975*	
Yreka Siskiyou Daily News	*5,286*	

after starting in Long Beach, insists that there is nothing wrong with a push for competition and prizes. "We get our people to compete for prizes in a healthy way," he says. "We're trying to make this a better paper for our readers, and prizes are one indication of how well we're doing."

Other veteran reporters at the paper complain of favoritism on the part of Knight-Ridder people. "I go home crying some nights, I'm so frustrated," says one long-time reporter. "They bring in young kids and promote them above me only because they want their own people in here."

"You bet we'll promote new people above old-timers if it will help the paper," Allison responds. "You're probably talking to someone of inferior quality."

Not all of the *Press-Telegram's* problems stem from the Knight-Ridder merger. In 1976 the paper was rocked by a *Los Angeles Times* exposé on connections between city officials and newspaper executives. It documented coverups of unflattering stories on certain city officials in exchange for seats on city agencies.

Berkeley professor Bagdikian says Knight-Ridder's philosophy of ownership was demonstrated at the *Philadelphia Inquirer:* "It took them 10 years to upgrade the *Inquirer.* Now that it is the best paper in its area, the company will make a nice return on their investment for the next 30 to 40 years."

The *Inquirer* has won six Pulitzer Prizes in the last seven years; the chain won its 22nd and 23rd Pulitzer Prizes in 1980. Whether the chain is trying to transform the *Press-Telegram* into a West Coast *Inquirer* is an open question. In the meantime, the paper seems to be suffering.

"Knight has a good reputation of autonomy for their papers, but not in Long Beach," says Bill Hazlett, formerly with the *Press-Telegram* and now with the *LA Times.* "They brought in the 'Miami Mafia' who are people who didn't know local conditions and who created great morale problems on the staff."

In Pasadena, another Knight-Ridder paper, the *Star-News,* has experienced problems of a different sort. In 1972, union-organizing efforts failed, and almost half of the staff left the paper. Since then the *Star-News'* circulation has dropped. Although the merger is seen positively by much of the staff, the paper has not been able to recover.

Gannett on the move

The Gannett organization also has a good reputation for allowing its papers editorial independence. It prefers to buy papers with under 100,000 circulation that have little competition in their markets. Gannett's merger with Combined Communications in 1978 brought the *Oakland Tribune,* among other media entities, into the chain. Unlike most of Gannett's papers, the *Tribune* is in a hotly competitive market in the Bay Area. It has a morning and evening combined circulation of about 200,000.

Since the merger, the *Tribune* has begun a successful morning edition, *East Bay Today,* that has reached a circulation of 68,000. It has hired new reporters, installed new technology and brought in Robert Maynard from the *Washington Post* as editor. Maynard, one of the few black editors of a major metropolitan daily in the country, has beefed up local coverage and changed the conservative image of the *Tribune* into a more balanced one. He was recently named editor-publisher of the *Tribune.*

In San Bernardino, Gannett bought the community's only paper, the *Sun,* from the *LA Times,* which was forced to divest the paper in 1971 because of anti-trust problems. The *Times* had bought the paper from Jim Guthrie, member of an old San Bernardino family.

The *Sun* had been strongly community-oriented, publishing page after page of society items, Norton Air Force Base news, and stories about the county's favorite cash crop, oranges. Gannett immediately raised salaries, equalized pay among male and female employees, cut out free junkets and expanded coverage to more regional developments.

"I think the paper is ethically better since Gannett came in," says Rosemary McClure, a 10-year veteran of the paper. "We may not cover society people as much now, but we are covering the general community better."

Gannett also tries to foster competition among its dailies with a "Best of Gannett" monthly contest which allows editors of the chain to compete against one another.

The Thomson newspaper chain, which owns six California papers with a combined circulation of 145,000, probably has the worst reputation of any chain. "Their philosophy is to take out as much money as they can from a paper and put back nothing," says Dick Werkman, now with the *Daily News* and formerly with Thomson's *Oxnard Press-Courier.*

In Oxnard, the Thomson organization reduced staff, cut bureaus and eliminated the annual Christmas bonus. Reporters at the chain's *Lancaster Ledger-Gazette* describe similar conditions.

The local touch

The chains' records of performance, then, are mixed. Some papers have improved under chain ownership; others have suffered. What all chain papers, good or bad, are missing is the genuine community touch — the local-family owners that have been in town for decades and will remain there.

Howard (Tim) Hays, co-publisher of the *Riverside Press-Enterprise,* represents one of the state's few family-controlled papers (partly owned by Ottaway-Dow Jones, however). Hays sees no great harm caused by the chains but feels that a publisher should "share a community's experiences. He should experience the same joys and vicissitudes as his readers. And the community should be entitled to a publisher they can confront and complain to — someone they know has the last word."

There are, unfortunately, few of those left. Indeed, if chain acquisitions continue to grow, the local publisher may be another species headed for extinction.

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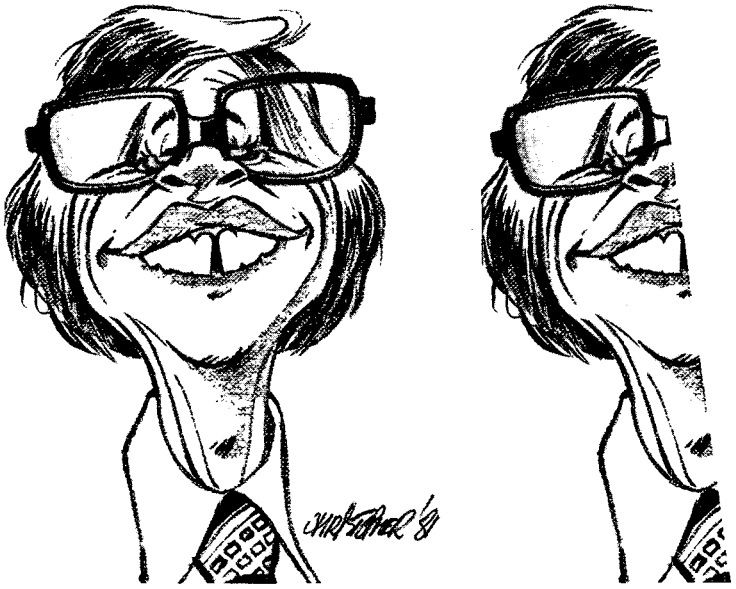
In the state Capitol, they don't tell Polish jokes. They tell Chet Wray jokes.

Chet Wray Chet



By JAMES R. CARROLL

As Abraham Lincoln is known for the Gettysburg Address and John F. Kennedy for his inaugural address, an Orange County legislator probably will be long remembered in the lore of state political history for the "Chet Wray Chet" speech.

It is not what was said that deserves any note. It was the delivery.

There he was, Chester B. Wray, the Democratic assemblyman from Westminster, earnestly delivering a talk to an audience from notes on three-by-five cards. He flipped from one card to the next, and the minutes ticked by. But a staff member had neglected to write "The End" on the final card. So, Wray began his talk again. An aide had to stop the repeat oration. Forever more, however, it was the "Chet Wray Chet" speech, and its nickname became interchangeable with its unfortunate creator.

During the 1980 elections, Wray decided to dutifully thank lobbyists who had purchased tickets to one of his reelection fund-raisers. He began making telephone calls from a list. After Wray made several calls and received some puzzled responses, Wray's campaign treasurer halted the calls. Wray, it turned out, was calling people from the list of those who had *not* contributed to his campaign.

Chet Wray stories are about as popular in the state Capitol as Jerry Brown stories, only Wray stories are funny. The tales are told more for amusement than for cruelty, and Wray himself is aware of the giggling in the government hallways. He says he is bothered "not in the least."

"I know my own capabilities," the three-term legislator pronounces. "I'm secure with them. I can sit down one-on-one with anyone in the Legislature." In fact, he adds, his questionable renown can be a distinct advantage. "Sometimes people who are a little competitive are quite unprepared" to deal with him on a personal level, he explains. Could he give an example of how this has worked? He grins. "I'd rather not."

Most legislators, of course, would attempt to change any widespread impression of naivete or just plain stupidity. "I haven't made any attempt to correct the impression because in all cases where I'm meeting someone for the first time and I have to sell something to them — I have to get their support — I've had 100 percent support."

Dog-sitting service

Well, maybe. No one doubts Wray's overall sincerity and kind heart. After all, how many politicians would agree to babysit a constituent's drooling, flea-bitten old Irish setter in their inner offices all afternoon? Exactly one: Chet Wray.

An Arkansas native who still carries a twang, the 58-year-old Wray came to the Legislature by way of Texas-Arizona Motorways Company and later General Motors where, he says, he did everything "from physical labor to quality control."

In the 1960s, Wray took an interest in local political work. He was active in Robert F. Kennedy's 1968 presidential campaign. Then Wray was Southern California chairman for San Jose Democratic Senator Alfred Alquist's unsuccessful race for lieutenant governor in 1970. He was also Orange County chairman for Brown's campaign for secretary of state.

Wray originally had no visions of public office for himself. That, he says, came by accident in 1976 when then-Assemblyman Paul Carpenter decided to run for a new Orange County seat in the state Senate. "We had sort of an ad hoc committee trying to fill Paul Carpenter's spot and trying to prevail upon him to remain in the seat," Wray recalls. "We were afraid of losing the seat (to the Republicans). We started eliminating those who did not have the interest or for one reason or another were known in one town but not in another. Finally, one of the guys said, 'You're all that's left.' "

With heavy financial help from the United Auto Workers Union, of which he was an official at the time, Wray won the 71st Assembly District seat by

James R. Carroll is the Sacramento Bureau chief for the Orange County Register.

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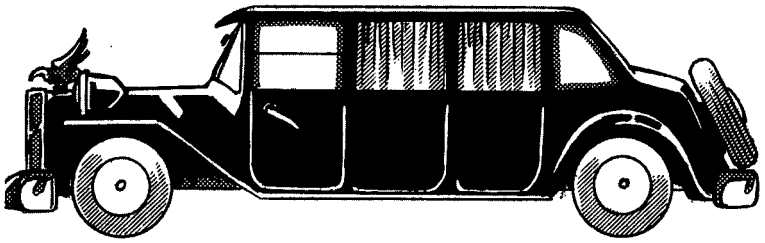
Two-door Chet



Here's a Chet Wray story making the rounds in Sacramento: A member of the state Senate apologized to the representative of an automobile company for being quite picky in the selection of options on a new car.

The auto rep convinced the senator that he was a pushover compared to Assemblyman Wray. As the story goes, the senator was told that Wray was demanding a two-door convertible — a model that was not available west of the Mississippi. The senator is supposed to have said:

"No problem. Just give him a four-door, remove the rear-door handles and he won't know the difference."

36 votes out of more than 94,000 cast. He has defeated Republican challenger Doris Allen twice since, even though she tried to make Wray's cerebral alacrity, or lack of it, a major campaign issue by calling him "dumb" and "a joke."

During an Orange County television debate last fall, Wray had considerable difficulty remembering his voting record. He denied supporting a bill the records show he voted for, and couldn't remember his position on another bill Allen questioned him about.

The first Wray-Allen bout in 1978 was racier. Allen found out that Wray had attened a 1977 Sacramento reception sponsored by the California Association for Trollops National Institute for Prostitution. The reception was aimed at raising money for efforts to legalize prostitution in California. The event included a see-through lingerie "fashion show." Allen sent a brochure around the district telling voters of Wray's attendance at a "prostitutes' convention." Wray denied he was there, even after reporters had seen him there and reported it. After two more denials in which Wray's facts changed, he acknowledged he may have been in the tavern where the partying was going on, but he had stopped by only "for a sandwich."

Social events aside, Wray has not been one of the Legislature's activists. Most of the bills he carries are technical, unsexy revisions of existing laws. He has managed to land the chairmanship of the Assembly Labor and Employment Committee — not one of the heavy-hitting panels — and also chairs the Assembly Select Committee on Mass Transit. But the job he secretly wants most of all — chairmanship of the Assembly Transportation Committee — has eluded him.

Perhaps one reason was his less than masterful involvement in last winter's Assembly speakership battle, when the match was still between incumbent Speaker Leo McCarthy of San Francisco and Assemblyman Howard Berman of Beverly Hills. Berman partisans claimed Wray's commitment to their side. But so did McCarthy supporters. Both sides offered proof. Wray, meanwhile, claimed he hadn't committed to anyone.

One vote either way was political life or death — at least it seemed so to the participants. So Chet Wray disappeared for awhile. He says he was just busy. But his colleagues couldn't find him. A handful of exasperated Berman backers finally flew to Orange County to try to flush Wray out. They went to his house, knocking on doors, peering over fences, and making the neighbors nervous. The Westminster Police showed up. The legislators had to explain who they were and what they were doing hanging around a dark house at midnight. And they didn't find Wray.

A couple of days later, Wray surfaced to say he was for McCarthy. Then he made himself scarce again. Some reporters suggested McCarthy was keeping Wray where he could be watched. One McCarthy staffer joked: "He's in a closet. We gave him a cookie."

Maybe they should have tried cookies for another problem. When he first arrived in Sacramento, Wray was known to get sidetracked during the day's business, failing to show up at scheduled committee meetings, for instance. A staffer was dispatched to accompany the legislator to make sure he got where he was supposed to go. The staffer also made sure the folders on bills Wray was carrying got picked up, because he would forget them and leave them behind.

Absent-mindedness can be positively embarrassing. In early 1980, Wray was scurrying around on the Assembly floor collecting votes for his most important bill of the year. But he got so involved he forgot to vote for it himself.

Newsletter hyperbole

Then came June of this year, when Wray sent out a newsletter to more than 14,000 homes in his district, proclaiming his involvement in various anti-crime bills. For example, the letter said, Wray was "leading the fight in the Assembly for passage of SB 56 (a death-penalty bill)." A couple of problems with that: First, the bill at that time had not even reached the Assembly. Second, Republican Senator Ray Johnson of Chico, the bill's author, said of Wray's efforts: "I never heard about it. I have no knowledge of him working on my bill."

Perhaps there had been a misunderstanding — but there were a few other discrepancies. Wray's newsletter mentioned six other anti-crime measures he was "sponsoring," "supporting," "co-sponsoring," or had "insisted be introduced."

"Sponsoring?" He was not the author of any of the bills. "Supporting?" One must assume so. "Co-sponsoring?" His name was not listed as co-author on four of the bills. "Insisted be introduced?" The bill this referred to was being carried by Senator Dan Boatwright of Concord, the chairman of the Senate Elections and Reapportionment Committee. When asked about Wray's insistence, the senator said: "Insist? That's too strong a word. We worked on it together."

Wray's explanation of all this: "When you're selling a program, you use the strongest language possible. You try not to prevaricate." But what about this "sponsoring?" Wray had a definition: "Sponsoring means actively supporting. It doesn't necessarily mean I'm the author."

What is a legislator to do, when he has become a comical character many find hard to take seriously? The options are limited. Wray says he would like to stay around at least a couple of more terms. Perhaps with that in mind, he has done something to spruce up his image: He has grown a beard.

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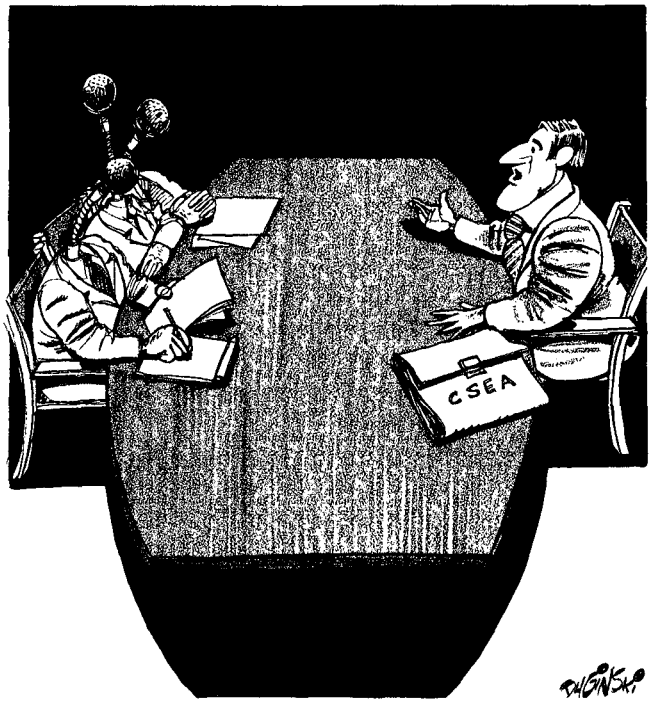
Collective bargaining: cool or hot times ahead?

By BOB TAYLOR



California state government enters a new era this fall when officially recognized unions sit down with the Brown Administration to determine the future course of management-employee relations.

When the unions gather at the bargaining table later this year with Governor Brown's newly recognized Department of Personnel Administration, there will be a sense of order to the process of settling pay and working condition questions. But nearly all observers agree that collective bargaining — by itself — is neither a panacea to end traditional labor-management conflict, nor an iron-clad assurance that such worker turmoil as experienced in the 1979 post-Proposition 13 period will be averted merely by the formalized "meet-and-confer" contract resolution.

Marty Morgenstern, the former New York labor union organizer who is Brown's chief employee adviser, notes there is no labor-management system that guarantees protection from conflict, and possibly strikes. "We're not dealing with chemistry or mathematics," Morgenstern says. "We're dealing with a human relationship program that carries with it uncertainty. The strength of collective bargaining is that it maximizes the communication between the two parties. All bargaining guarantees you is that you don't have accidental conflicts. If there is a strike or conflict, it results from a real difference, not from a lack of communication or misunderstanding."

Keith Hearn, spokesman for the California State Employees Association, says the dawning of collective bargaining for state workers means a "much cleaner system" but little more. He also acknowledges that, given the uncertain dynamics of government, it is possible employee discord could arise within the new bargaining structure.

Instead of the usual 50 or so employee groups bidding for worker interests, the new arrangement will see no more than 18 unions representing specific occupational classes. That alone will remove much of the chaos which has characterized the largely political give-and-take over employee salaries in recent years. Pay determination will be a question for negotiation between the governor's office and the specific unions. Past involvement by the state Personnel Board and the Legislature further clouded the prolonged pay raise process. That imperfect system was evident when workers staged sickouts and other protests — including a temporary State Water Project shutdown in 1979 — to back up pay demands. The volatile salary issue was finally resolved that year in two unprecedented legislative overrides of Brown's pay-raise vetoes.

The first real test

Given the state's steadily worsening fiscal condition, there is a chance that salary pressures could rupture the deceiving calm that resulted in the employees' passive acceptance of a 6 percent pay raise this year, far below the rate of inflation (which has been running about 11 percent).

Both Morgenstern and Hearn admit the financial constraints brought on by Proposition 13 could force the first real test on state government's bargaining arrangement. Hearn notes that the major priority of his union would be cost-of-living pay raises plus "some sort of catch-up to make up for the 6 percent employees got this year when inflation was somewhere around 10 to 11 percent. Either we keep services at the same level or we have to reduce the state work force in order to compensate the rest of the employees fairly."

Morgenstern also warns that "if these conditions continue it won't be long before the dam bursts. There comes a time when employees fall further and further behind that something has to happen."

Meanwhile, the recently completed state collective bargaining elections were ignored by all but a few members of the Capitol press corps. There were, however, many parties interested in the outcome of the mail balloting by about 70,000 of the state's 120,000 rank-and-file workers. CSEA, the long-time kingpin labor group in state government, held its ground by winning 10 of the 16 bargaining units and the right to speak for about 83,000 workers at the bargaining table. CSEA's active membership has been about 85,000. With four unit elections still to be settled in runoff or challenged ballot counts, CSEA could add another 19,000 employees to its column. But labor sources say the union faces a tough uphill struggle to defeat the California Correctional Officers Association in runoff balloting for the 6,500 prison guard-correction unit, and is no better than a 50-50 choice to beat the Communications Workers of America in the

Bob Taylor is a state-government reporter for the Sacramento Union.

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7,500-member hospital psychiatric technician unit election.

The otherwise powerful California Labor Federation (AFL-CIO) was bloodied in its confrontation with CSEA, which kayoed AFL-CIO affiliates in five elections. It was a stunning setback for the mainstream labor group, which counted on making inroads into CSEA's strength. John F. Henning, the federation's executive officer, ripped into CSEA in a pre-election statement which asserted the association "is not now and never been a 'union' in any legitimate sense of the word and it will not enjoy the support of a single legitimate union in this state when push comes to shove on wage and benefit issues."

Henning was tight-lipped after his unions were blown out by CSEA, leaving only the CWA in the psychiatric technician election and the American Federation of State, County and Municipal Employees (AFSCME) in a smaller health and social services election with a chance to save face for AFL-CIO.

Preventing a monopoly

While CSEA did manage to crush its primary opponent, the union was shocked by four independent employee groups that prevented a CSEA monopoly by becoming bargaining agents for about 12,300 engineers, firefighters, doctors, fish and game wardens, state police and investigators. Those victorious groups were the Professional Engineers in California Government, Department of Forestry Employees Association, Union of Physicians and Dentists, and the Coalition of Associations and Unions of State Employees (CAUSE). CAUSE, a merging of about 15 small public safety groups, is a prime example of how smaller occupation-based units could work effectively to knock off a larger union with superior resources.

CSEA will continue to be the dominant employee union, displaying the kind of clout that comes from its heavy financing of state legislative campaigns. The union provided $563,000 to candidates in last year's elections, and as Common Cause reported earlier this year, CSEA ranks only behind the California Medical Association in its campaign investments over the past six years. Hearn acknowledged that his money has succeeded in "getting the ear of the Legislature (but) all it does is buy access; it doesn't buy votes." Even though the new bargaining setup largely removes legislators from the picture, Hearn says, "We're not going to drop our relationship with the Legislature in any way."

So collective bargaining has finally arrived, four years after the CSEA legislation (SB839) was signed into law by Brown in late 1977. Then the protracted legal fights delayed elections by three years until the state Supreme Court ruled last March that the law was legal. The first contracts agreed to by the unions and the Brown Administration will provide clues as to whether the age of state bargaining will be one of bilateral cooperation or a time of increased public employee militancy.

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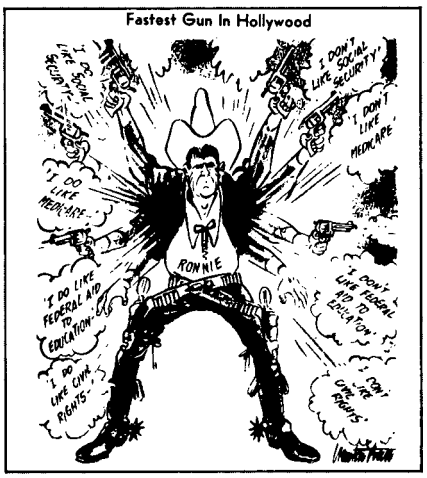
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The frustrated coalition battling the tide of crime bills

By PHIL SMITH

Nearly 600 crime-related bills have been introduced by state legislators this session — a tidal wave of law-and-order enthusiasm which even its advocates find overwhelming. With public-opinion polls in their pockets, most politicians are responding to the No. 1 issue in California with all kinds of tough-on-crime proposals.

In such a climate, it takes some courage to raise questions about a popular bill's wisdom, cost or long-range effect. It takes even more courage to vote against it. Yet there is a small coalition of lobbyists and legislators who are raising such questions about many of the anti-crime bills. They worry that — in the currently overheated atmosphere of the Capitol — the real victims of the so-called war on crime will be individual civil liberties and an effective justice system.

The coalition's harshest critics call it a "criminals' lobby" and accuse it of being more concerned with the inmates of state prisons than with their victims. Coalition spokespersons insist that longer sentences and bigger prisons will not provide the root solutions: crime prevention and prisoner rehabilitation. In fact, they say, some of the pending bills may produce more crime, not less.

The coalition's lobbyist members include the American Civil Liberties Union, the Friends Committee on Legislation (Quakers), the state's public defenders, Prisoners Union and the Universalist-Unitarian Service Committee (UUSC). They are realistic about the odds against them in trying to convince a politically edgy Legislature that what it is doing this session could actually aggravate the crime problem. So for the first time ever, more than 500 religious, prisoner-rights and family-service groups — including the Friends Committee and the UUSC — have joined forces to do battle in the Legislature. The coalition has published a four-point anti-crime package, promoting the prevention of crime through social and economic justice, improvement of jail and prison conditions, commitment to community corrections, and reduction of sentence lengths.

Phil Smith is a copy editor at the Sacramento Bee.

Changing strategies

Recognizing the new political climate, some groups have changed their strategies. Tom Glancy of the Prisoners Union says that now is not the time to bemoan the plight of inmates before lawmakers; instead, he is emphasizing the potential economic and social consequences of locking people up and throwing away the key. Beth Meador of the ACLU advocates that its members begin making campaign contributions to its friends in the Capitol. Other groups are aiming their efforts at public education. They figure that if legislators are listening to the voters' outcry against crime, then maybe that outcry can be softened by getting the public to realize that some pending anti-crime bills might not be in its best interests.

Even the District Attorneys Association has expressed concern over some of the anti-crime fervor. DA lobbyist Steve White has worked to water down several proposals that would do away with pleas of insanity and diminished capacity, contending that they would have been unconstitutional. White also has helped to convince the Legislature to back off on attempts to curb plea bargaining, citing the potential overload on court calendars already clogged.

There have been few friendly faces in the Capitol to smile on the coalition. Democratic Senator Alan Sieroty is men-

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tioned often as one who has tried to expose some problems with many of the bills, and who has consistently voted against most of them. Democratic Senator Nicholas Petris sponsored an unsuccessful measure to allow the Department of Corrections to release non-violent inmates 90 days early when a prison reached 90 percent of capacity. Petris has also proposed formation of a task force to study the concept of community corrections. Also cited as friends are Assemblyman Elihu Harris and Ernest Konnyu, who have sponsored legislation to give a felon the option of being incarcerated near his home, to open up prisons to more outside groups, and to provide more funds for family visitations. Speaker Willie Brown also has been skeptical about much of the anti-crime legislation, contending that crime is rooted in such social problems as unemployment.

But such friendly faces are few and far between. Most of the coalition's arguments are making little headway this year. The basic problems with most law-and-order proposals fall into five categories, according to the coalition:

- **Erosion of civil liberties.** For groups like the ACLU, this is the biggest concern. Several bills and a proposed constitutional amendment would substitute the less-stringent search-and-seizure provisions of federal law for current restrictions on admission of evidence that is illegally obtained. The ACLU argues that police would be given more latitude in stopping vehicles without reasonable cause, and any evidence seized during such a stop could be used in court. Bank records also could be more easily obtained by investigators, according to the ACLU. "Strip searches" could be conducted in jails under federal search-and-seizure guidelines, and other rights to privacy endangered, it says.
- **Damage to fair-trial process.** Of particular concern to trial lawyers is whether the deck is being stacked against the accused in criminal proceedings. One bill would allow prosecutors to submit affidavits from non-eyewitnesses at preliminary hearings instead of having the witnesses testify in person, provided the defense is notified 10 days in advance. Michael Cantrell, director of the California Public Defenders Association, and Michael Pinkerton of California Attorneys for Criminal Justice say that this would deny a defendant the right to confront an accuser.
- **Overcrowding of prisons.** Probably the greatest impact of the anti-crime crusade will be on the penal system. As more people are locked up and longer sentences imposed, jail and prison populations increase dangerously. Currently, California prisons hold about 110 percent of their intended capacity; about 3,000 inmates are double-celled. And the prison population is growing at the rate of 100 inmates per week. According to the Department of Corrections, if a prison holds more than 90 percent of capacity, it is difficult to isolate troublemakers or separate contending groups. In addition, facilities like Folsom and San Quentin are so antiquated they are crumbling from within. "In California, all the elements are there that can create a catastrophe," warns Ruth Rushen, director of the Corrections Department.
- **Costs of new construction.** It costs about $13,000 per year to house an inmate and $60,000 to build each new prison cell. Currently, three new prisons are in the planning stage and two more are proposed. There also are plans to open up wings at existing facilities, and to increase the number of beds at forest camps and community centers. The projected cost of all these projects: $563 million.

Should the state build new prisons? Definitely not, says the Friends Committee and the Universalist Unitarian Service Committee. "People in the community pay a price for the brutalizing experience of a prisoner in prison," says Pat Marrone of the Friends Committee on Legislation. Warren Parker, an ex-convict who is executive director of the Center for Positive Preventive Alternatives in Stockton, a diversionary and alternative-service program, puts it more bluntly: "If you put an animal in a cage, then poke it with a stick, don't be there when it's let out."

The coalition points to recent elections in Los Angeles and Oakland where voters rejected tax increases to combat crime. They predict that a proposed statewide vote to build prisons with an increased sales tax will lose.

- **Danger to the criminal-justice sytem.** According to the coalition, the criminal justice system is threatened by the growing anti-crime pressures. Prosecutors and public defenders are already swamped, and yet their staffs are being cut because of Proposition 13. If more cases end up going to trial and if tougher determinate sentences are passed, judges would have little choice but to send more persons to jail for longer periods of time. In order to avoid a breakdown of the criminal justice system, says Pinkerton, defenders and prosecutors may have to return to the bad old days of under-the-table wheeling and dealing. He warns that the system may become so overloaded that many laws may either have to be winked at or completely ignored at all levels of the criminal justice system.

The local solutions

What then are the coalition's alternatives? The ACLU's Meador doubts that there are any state-level legislative solutions to the crime problem. The best the state can do, she says, is coordinate the fight and set standards for such things as prison conditions and local crime-prevention programs. All lasting solutions must be implemented locally, she says. Meador advocates enhanced community crime-alert programs, with citizens working closely with police. She envisions a greater community service role for law officers, arguing that cops should return to walking a beat.

The Friends Committee and the UUSC criticize what they consider an over-reliance on imprisonment as a method of dealing with crime. California's per-capita incarceration rate ranks behind only the Soviet Union's and South Africa's, they say, and imposes longer sentences than any other state — yet crime continues to be a serious problem.

The coalition's favored alternative is community corrections: any program in the community that emphasizes rehabilitating offenders into law-abiding citizens. These include half-way houses, work and education furlough projects, drug and alcohol rehabilitation centers, probation services and pre-release programs. The Friends Committee and the UUSC contend that most of the 40 percent of the prison population convicted of non-violent crimes could be placed in community corrections programs, thus relieving overcrowded prisons. Such programs also would actually reduce the crime rate by keeping offenders out of the so-called "schools of crime" that prisons provide, they claim. The cost of such programs is only about half of what it costs to keep someone in prison, they add. But the main obstacle is convincing a fearful community to accept offenders in its midst.

The type of sentence a prisoner serves also affects how he or she will return to the community, the coalition argues. If inmates are given meaningful work, prison violence can be reduced and inmates can earn money that could be theirs upon release or could provide restitution to their victims.

Perhaps the coalition's best ally is economics: Where is the money to pay for all of the anti-crime legislation? Already the Assembly Ways and Means Committee has held up most increased-sentencing proposals because they contain no provisions to pay for added prison space. But until the hard reality of funding began to hit home in the Legislature, the opposition had little chance to stop most anti-crime bills. Says Cantrell of the Public Defenders Association, "Our only hope was to make a smaller steamroller out of a big steamroller."

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Perspective from
WASHINGTON
By Leo Rennert

A strategic retreat

Forty-eight hours before the Reagan administration's retreat on oil drilling off the Northern California coast, Interior Secretary James Watt still hoped to find some way to push ahead. He insisted that no immediate decision was in the offing and that he had another two weeks to draft a recommendation for President Reagan. At Interior, Watt's aides remained confident that the White House — aglow with victory after its successful tax and budget battles on Capitol Hill — would support a green light for drilling. Reagan himself reinforced that impression in an interview with the *Washington Star* during the last week of its publication. The president came out foursquare for his embattled secretary, defended him against attacks by "environmental extremists" and endorsed his drive to expand off-shore oil production. If coastal residents don't like the sight of oil rigs on the ocean, the president said, Liberty Ships could be taken out of mothballs and anchored in front of drilling platforms. That would take care of the esthetic problem, he suggested since nobody ever objects to seeing ships at sea. With such talk from the chief executive, Interior officials couldn't believe that Watt was headed for his first fall.

BUT THIS WASN'T the first time that Reagan's rhetoric has pointed the way while the president headed in another direction. Nor should it come as a great surprise that Reagan has learned to cut political losses and knows how to take evasive action when a direct assault may be too costly. When the political winds were favorable, Reagan didn't hesitate to go for broke on his tax and budget cuts. But when the tide began moving against him on Social Security cuts, dilution of the Clean Air Act or weakening of voting rights he showed an equal propensity for quick shifts and concessions. Long before Watt stepped to the microphones and officially announced there would be no oil drilling off Northern California for the foreseeable future, the White House was keenly aware that it had a no-win situation on its hands.

The uproar over Watt's drilling plans was bigger and more far-reaching than the administration had estimated. The protests didn't just come from environmental groups. Tourism, shipping and fishing interests joined the attack. So did cities and counties up and down the coast. And at the head of the anti-Watt parade was Democrat Jerry Brown ready to ride this issue all the way to the U.S. Senate. As the unpopularity of Watt's drilling plans grew, so did the concern of GOP political strategists in California. State Party Chairman Tirso del Junco warned that a decision to expand off-shore oil drilling along some of California's most scenic coastal stretches could cost Republicans the governorship and control of the Legislature next year. Bill Roberts, a veteran manager of GOP campaigns, sent a memo to top Reagan aides pinpointing congressional races in California where Republicans could be hurt by the drilling controversy. Del Junco and Roberts had a common message: *Put off any easing decision until after the 1982 elections.* A strategy of delay, Roberts suggested, would enable California GOP leaders to claim credit for working out a compromise and limit the damage caused by Watt. There also were national political considerations. Roberts told old California hands at the White House like Ed Meese and Lyn Nofziger that if Watt were allowed to proceed, Republicans might not capture enough congressional seats in California to allow the GOP to seize control of the House in 1983.

Watt drew fire on Capitol Hill from most members of the California delegation. Democratic Senator Alan Cranston and Republican Senator S. I. Hayakawa, who rarely agree on anything, lined up against the secretary. So did Congressman Don Clausen, the Republican delegation chairman, whose district would be heavily impacted by an off-shore oil boom. To help Clausen, House Republicans joined in support of a Democratic-sponsored amendment to prohibit oil drilling off Northern California. The controversy spilled over into the crowded contest for the California GOP Senate nomination. Two House Republicans who plan to challenge Hayakawa took opposite positions. Barry Goldwater Jr., opposed expanded off-shore oil production. Paul McCloskey, a moderate in search of a conservative image, went out on a limb and backed Watt's general approach. It makes more sense to look for oil off Northern California's beaches than to send American boys to fight in the sands of the Persian Gulf, McCloskey argued.

For a proud man like Watt, the decision to pull back was a bitter pill to swallow. Under his new scenario, the Northern California coast will remain off limits to oil production until the Supreme Court reviews a lower-court injunction obtained by Brown to block drilling farther south in the Santa Maria Basin off San Luis Obispo and Santa Barbara Counties. Federal District Judge Mariana Pfaelzer of Los Angeles issued the injunction after finding that Watt had violated a federal requirement to mesh off-shore drilling operations with the state's coastal development plan. Watt is confident the Supreme Court will reverse Pfaelzer and deny the state a veto power. But that could take a couple of years — perhaps longer. In the meantime, the secretary said he didn't want to take the chance of running into another Pfaelzer injunction if he decided to go ahead with a lease sale off Northern California. The "chilling" effect of such an injunction, he said, would subject the government to unrealistically low bids and another round of expensive litigation. On balance, Watt said he preferred to wait until Santa Maria is settled in the courts before making a decision on four northern off-shore basins — Santa Cruz, Bodega, Point Arena and Eel River. When it was all over, Watt had adjusted his drilling calendar to the political timetable recommended by Roberts and del Junco. The controversy has been shoved safely beyond the 1982 elections.

WATT INSISTS THAT POLITICS played no role in his decision and that the White House left him completely free to make up his mind. As the secretary sees it, he didn't even reverse course since there had been only a proposal — but no final decision — to permit drilling off Northern California. Pfaelzer's legal roadblock was the sole reason for aborting early drilling plans, he maintains. There's just one problem with that explanation. It's hard to find anyone else who believes it.

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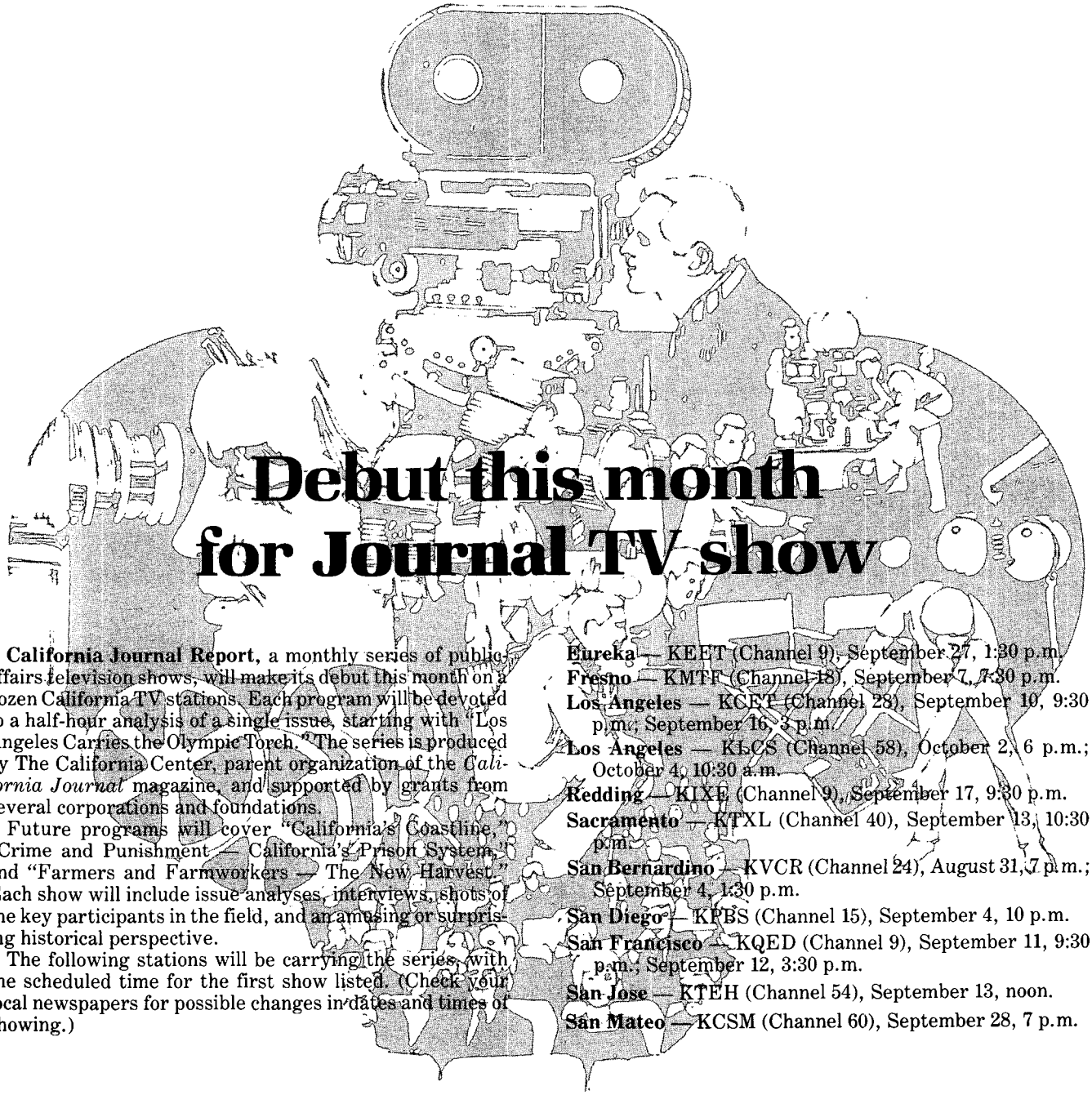

Debut this month for Journal TV show

California Journal Report, a monthly series of public affairs television shows, will make its debut this month on a dozen California TV stations. Each program will be devoted to a half-hour analysis of a single issue, starting with "Los Angeles Carries the Olympic Torch." The series is produced by The California Center, parent organization of the *California Journal* magazine, and supported by grants from several corporations and foundations.

Future programs will cover "California's Coastline," "Crime and Punishment — California's Prison System," and "Farmers and Farmworkers — The New Harvest." Each show will include issue analyses, interviews, shots of the key participants in the field, and an amusing or surprising historical perspective.

The following stations will be carrying the series, with the scheduled time for the first show listed. (Check your local newspapers for possible changes in dates and times of showing.)

Eureka — KEET (Channel 9), September 27, 1:30 p.m.
Fresno — KMTF (Channel 18), September 7, 7:30 p.m.
Los Angeles — KCET (Channel 28), September 10, 9:30 p.m.; September 16, 3 p.m.
Los Angeles — KLCS (Channel 58), October 2, 6 p.m.; October 4, 10:30 a.m.
Redding — KIXE (Channel 9), September 17, 9:30 p.m.
Sacramento — KTXL (Channel 40), September 13, 10:30 p.m.
San Bernardino — KVCR (Channel 24), August 31, 7 p.m.; September 4, 1:30 p.m.
San Diego — KPBS (Channel 15), September 4, 10 p.m.
San Francisco — KQED (Channel 9), September 11, 9:30 p.m.; September 12, 3:30 p.m.
San Jose — KTEH (Channel 54), September 13, noon.
San Mateo — KCSM (Channel 60), September 28, 7 p.m.

Equality will be here the day that mediocre women take their place beside mediocre men.

— Frances (Sissy) Farenthold

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